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FRANCHISE DISCLOSURE DOCUMENT

Rock and Roll Daycare Franchising, LLC
A Massachusetts Limited Liability Company

580 Cambridge Street

Cambridge, MA 02141

(857) 312-3701

email: info@RockAndRollDaycare.com

www.RockAndRollDaycare.com

Rock and Roll Daycare Franchising, LLC d/b/a Rock and Roll Daycare offers a franchise opportunity to provide a music based high-end childcare services for infants, toddlers and preschool aged children with a quick start up time through a rented strip center location.

The total investment necessary to begin operation of a Rock and Roll Daycare franchise is \$290,000-\$466,500. This includes \$101,500 - \$109,500 that must be paid to the franchisor or affiliate. In territories where we believe the population and other demographic factors permit, you may purchase an Option for the right to open one or two additional outlets in your territory, as we specify, for \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Bobby DeVecchio, 580 Cambridge Street, Cambridge, MA 02141; (407) 340-3663.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: August 29, 2019 as amended October 31, 2019

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit B for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise.

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN MASSACHUSETTS. OUT-OF-STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND LITIGATE WITH US IN MASSACHUSETTS THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MASSACHUSETTS LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
4. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

California

Illinois

Minnesota

New York

Virginia

Washington

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Exhibits

- A. State Addenda to the Disclosure Document
- B. List of State Administrators and Registered Agents
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ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor, and any Parents, Predecessors, and Affiliates. To simplify the language in this disclosure document, the terms “we,” “us,” and “our” refer to Rock and Roll Daycare Franchising, LLC d/b/a Rock and Roll Daycare, the Franchisor. The terms “you” and “your” refer to the person or entity that buys this franchise, including any guarantors.

We are a Massachusetts Limited Liability Company formed on August 29, 2019. Our principal business address is 580 Cambridge Street, Cambridge, MA 02141.

We have an affiliate Vuk Enterprises LLC formed on July 14, 2014 with a principal business address of 535 Cambridge Street, Cambridge, MA 02141. Vuk Enterprises LLC owns Rock and Roll Day Care Central Square LLC and Fiddlefox LLC, both of which are discussed just below.

We have an affiliate, Rock and Roll Day Care Central Square LLC with a principal business address at 580 Cambridge Street, Cambridge, MA 02141 that was formed on July 28, 2014. Rock and Roll Day Care Central Square LLC does not offer franchises in any line of business or offer products or services to franchisees. However, Rock and Roll Day Care Central Square LLC has operated outlets similar to the one you will operate, either itself or through predecessors, beginning in October 2013.

We have an affiliate, Fiddlefox LLC, with a principal business address at 580 Cambridge Street, Cambridge, Massachusetts 02141 that was formed on September 18, 2014. Fiddlefox supplies our franchisees with curriculum and music.

Fiddlefox LLC has also operated since June 1, 2018 as a trade name “Open Door Montessori” which will provide an online training platform providing educational training in the Montessori Method to our franchisees.

Fiddlefox LLC has also operated since August 1, 2018 as a trade name “Rock and Roll Kitchen” which will provide meal services and food curriculum through private label with catering company, Smart Lunches, daily meals and snacks, monthly cultural meal programming, and monthly food curriculum activity (preschool only) to franchisees to offer to their students.

We do not have any predecessors.

We do business as “Rock and Roll Daycare.”

Exhibit B contains our agents for service of process.

Our Business and the Franchises Offered. The franchise offered is to operate a music based high-end childcare services for infants, toddlers and preschool aged children with a quick start up time through a rented strip center location (“Franchised Business”).

We do not operate a business of the type being franchised. We do not engage in other business activities except the offering of franchises as disclosed here.

The General Market. The general market for this service is developed. Your services will primarily be sold to upper income parents of infant, toddler, and preschool age children. Sales are year-round, but lighter in the summer months.

Laws and Regulations. You must comply with all local, state, and federal laws and regulations that apply to operation of your business.

Certain states may consider your business to be a school and you may be subject to state or local licensing, permit, and ordinance laws applicable to schools. These requirements may require you to have a teaching license or certificate, separate bathrooms for boys and girls, water fountains, special exit doors equipped with panic bars, and accommodations for disabled persons. You are also subject to local zoning rules because they may limit where you can locate your Franchised Business and may affect design features, including the building facade and signs.

Some jurisdictions require, and we require that you conduct background checks on any employee that will be in contact with children during the operation of the franchised business. You must comply with the Fair Credit Reporting Act when conducting background checks. We urge you to consult with a local attorney about state and local laws and regulations as these vary by locality.

The details of state, county and local laws and regulations vary from place to place. You should investigate these laws and regulations further.

Competition. Our primary competition comes from childcare companies who may be local, regional, or national chains or franchises or operate independently.

Our Prior Business Experience. We have offered franchises of the type offered here since August 2019. We have not offered franchises in any other line of business. We have not conducted the type of business you will operate.

None of our affiliates have ever offered franchises in any line of business nor do they offer products or services to franchisees.

ITEM 2 BUSINESS EXPERIENCE

Christopher Vuk, CEO. Christopher Vuk has served as our CEO since August 2019. Mr. Vuk has also served as the CEO of our affiliate, Rock and Roll Day Care Central Square LLC in Cambridge, Massachusetts since June 2012. Mr. Vuk has served as the President of Music Makers' Foundation, Inc. in Cambridge, Massachusetts from February 2010 to the present. Mr. Vuk has served as the President of Fiddlefox LLC in Cambridge, Massachusetts from September 2014 to the present. Mr. Vuk served as the President of School of Groove, LLC in Cambridge, Massachusetts from March 2007 to May 2015.

Zaure Vuk, Co-CEO. Zaure Vuk has served as our Co-CEO since August 2019. From June 2012 to the present, Ms. Vuk has also served as the Co-Founder and Director of Business Development for our affiliate, Rock and Roll Day Care Central Square, LLC in Cambridge, Massachusetts.

From October 2014 to February 2016, Ms. Vuk served as the Owner and CEO of Rock and Roll Daycare Lechmere, LLC in Cambridge, Massachusetts. From June 2012 until January 2014, Ms. Vuk served as Co-Founder and Administrative Assistant to Music Makers Foundation Inc. d/b/a Rock and Roll Daycare in Cambridge, Massachusetts.

Bobby DelVecchio, Vice President of Franchise Development. Mr. DelVecchio has served as our Vice President of Franchise Development since August 2019. From January 2014 to the present, Mr. DelVecchio has served as the Director Worldwide Franchising for The Franchise Consulting Company in Miami, Florida. From January 2002 to the present, Mr. DelVecchio has served as the President & CEO of Drumming Up Business in Winter Park, Florida.

Asha Morales, Franchise Consultant. Asha Morales has served as a Franchise Consultant for us since August 2019. From April 2018 until the present, Ms. Morales has also served as a Franchise Consultant for The Franchise Consulting Company in Miami, Florida. From January 2017 to June 2018, Ms. Morales served as the Director of Operations for New World Energy Solar Energy in Winter Park, Florida. From August 2014 to January 2017, Ms. Morales served as a Franchise Consultant for Marilyn Monroe Spas in Orlando, Florida.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this item.

ITEM 5 INITIAL FEES

You agree to pay to us a \$49,500 initial franchise fee, a \$10,000 initial training fee, and purchase a Supply Package (of furniture, fixtures, and equipment) from us for \$42,000 - \$50,000, depending on your outlet size and layout.

In territories where we believe the population and other demographic factors permit, you may purchase an Option for the right to open one or two additional outlets in your territory, as we specify, for \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet.

The initial fees are uniformly imposed, fully earned, and nonrefundable as paid.

We do not finance any portion of your initial fees.

**ITEM 6
OTHER FEES**

Fee	Amount	Due Date	Remarks
Royalty Fee (Notes 1 and 2)	7% of Gross Revenues	Monthly by the 10 th business day after each month	See Note 1 for a definition of Gross Revenues. Franchise Agreement ("FA") Sec. 4.2.
Advertising Fund Fee	1% of Gross Revenues	Monthly by the 10 th business day after each month	To support system wide advertising and promotional activity. FA Sec. 4.3.
Local Advertising	As you determine	Monthly	You spend what you decide is appropriate amount each month on local advertising. FA Secs. 4.3 and 7.2.
Music and Curriculum Development Fee	\$20 per child per month	Monthly 10 days after billing	You pay this fee to our affiliate Fiddlefox LLC for music and curriculum. FA Sec. 4.4.
Open Door Montessori Fee	\$149 per month per outlet	Monthly 10 days after billing	You pay this fee to our affiliate Fiddlefox LLC for an online training platform providing educational training in the Montessori Method. FA Sec. 4.5.
Option Fee	\$20,000 per outlet	At time of entering into Option Agreement	In territories where we believe the population and other demographic factors permit, you may purchase an Option for the right to open one or two additional outlets in your territory, as we specify, for \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet. FA Secs. 3 and 4.6; Schedule 4.
Additional Attendee Fee for Initial Training	\$4,000 per person	Before attending Initial Training	One franchisee owner and spouse may attend initial training at no charge. You pay this fee to us if additional people attend. FA Sec. 4.7.

Initial training of Replacement Director	Currently \$2,500 for initial training of replacement manager, if we provide training more than once per calendar year. Plus any expenses we incur if we come to you for training.	Before training	You pay this fee to train a replacement Director, if we must do so more than once per calendar year. FA Sec. 4.8.
Initial training of Replacement Music Director or Curriculum Director	\$1,000 plus any expenses we incur if we come to you for training	Before training	You pay this fee to us to train a replacement Music or Curriculum Director. FA Sec. 4.8
Special field assistance	Currently \$1,000 to \$2,000 per day plus our expenses	10 days after billing	This fee is for special field assistance you need or request, and varies based on the level of staffing you request. FA Sec. 4.9.
Additional Training and National Conference Fee	Typically \$495 per person	Before attending	If we offer refresher courses, seminars, workshops, or a National Conference we reserve the right to charge, and you agree to pay a registration fee which we set for the event, plus any expenses we incur to provide this training. FA Sec. 4.10.
Center Relocation Fee	\$7,500	Before you relocate in your territory	You pay this fee to us if you relocate in your territory. FA Sec. 4.11.
Additional Outlet Fee	2nd outlet-\$44,500 3rd outlet-\$39,500 Plus, a \$7,500 reduced initial training fee per outlet	Before opening another outlet in your territory	You pay this fee to us if you open another outlet in your territory. FA Sec. 4.12.
Insurance coverage	Cost of insurance, interest on the monies we advance and our administrative costs	10 days after billing	If you fail to maintain insurance required by the franchise agreement, we may obtain the required insurance and charge you the cost of the insurance, interest on the

			monies we advance and our administrative costs. FA Sec. 4.13.
Deficiencies Fee	Our actual costs	10 days after billing	If you do not satisfy your obligations under the franchise agreement, we may perform your obligations for you. You must reimburse us for our costs in performing your obligations. FA Sec. 4.14.
Management Fee	\$3,500 per month	10 days after billing	Payable for any period that we manage the franchised business. FA Sec. 4.15.
Audit Fee	Cost of Audit	On Demand	Payable only if we find, after an audit, that you have underpaid or understated any amount due us by 3% or more for any 3-month period, or if the audit is made necessary by your failure to furnish required information or documents to us in a timely manner. FA Sec. 4.16.
Declined Payment Fee	\$100	At time of declined payment	You must pay this fee to us if an electronic transfer or other payment from you to us is declined. FA Sec. 4.17.
Testing/ Inspection Fees to Approve a Supplier	\$100/hour plus any costs incurred	When incurred	You must pay this fee to us if you request us to test and inspect a new supplier. FA Sec. 4.18.
Transfer Fee	\$7,500	Before transfer	No fee if franchise is transferred to legal entity that you control. FA Sec. 4.19.
Renewal Fee	25% of our then-current initial franchise fee	Before renewal	You must pay us a renewal fee to enter a new current franchise agreement at the expiration of the term of this franchise agreement. FA Sec. 4.20.
Interest	Lesser of 1.5% per month or the highest rate allowed by law	10 days after billing	FA Sec. 4.21.
Late fee	\$50	10 days after billing	You must pay a late fee for each past due payment, in addition to the interest

			disclosed above, FA Sec. 4.22.
Client Refunds	The amount of any fee we refund to a client.	At time of payment	If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client of all or a portion of the client fees, we may make the refund and bill you. You agree to pay the charges. FA Sec. 4.23.
Sales, excise or gross receipts tax	If required by the federal, state or locality in which your franchise is located. Including sales, excise or gross receipts tax or similar type tax on the initial franchise fee, royalty, training, national marketing fee, products, and any other services, products or fees.	At time of payment of fees to us which are subject to any tax	FA Sec. 4.24.
Assistance Fee in the event of death or incapacity	Our reasonable expenses plus 10% of Gross Revenues for the period in which we operate or assist in the operation of the Franchised Business.	At time of expense	We are entitled to this fee if we must operate your franchise due to your death or incapacity. FA Secs. 4.25 and 15.
Third party charges that we incur on your behalf	Actual amount of charge	At time of expense	If we incur third party charges on your behalf, you agree to reimburse us for any such charges. FA Sec. 4.27.
Remodeling Costs	Actual amount incurred	At time of expense	If we so specify, you agree to remodel your premises to meet current standards no more often than once every ten (10) years. FA Sec. 6.14.

Digital Campaigns	Your pro-rata share of the cost	At time of expense	We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor. FA Sec. 7.4.
Indemnity	Actual loss sustained	At time of expense	You must indemnify us from any loss caused by your operation of the Franchised Business. FA Sec. 13.3.
Attorney Fees and Costs	Actual amount incurred	At time of expense	If we are the substantially prevailing party in litigation with you, you agree to pay our costs and attorney fees. FA Sec. 19.11.

*Except where otherwise specified, we uniformly impose and collect all the fees in this table, you pay them to us, and we do not refund them.

Note 1: "**Gross Revenues**" is defined as all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes.

Note 2: Before you may open for business, you must sign and deliver to us all bank documents needed to permit us and our affiliate, Fiddlefox LLC, to debit your bank account via ACH Electronic Transfer for all fees and payments due to us or our affiliates. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and the bank new documents to permit us to debit your bank account within three days. We require you to execute an Automatic Bank Draft Authorization and pay most fees to us and our affiliate, Fiddlefox LLC, via ACH electronic funds transfer. See Schedule 2 to the Franchise Agreement.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT*

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee (Note 1)	\$49,500	\$49,500	Check/ACH	Upon entering into franchise agreement	Us
Initial Training Fee (Note 2)	\$10,000	\$10,000	Check/ACH	Upon entering into franchise agreement	Us

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
Travel and Living Expenses to Attend Initial Training (Note 3)	\$10,000	\$15,000	Charge	Before and during initial training	Third-party vendors
Our Travel and Living Expenses to Train at Your Location (Note 4)	\$5,000	\$7,500	Charge	Upon invoicing	Third-party vendors or Us
Furniture, Fixtures, and Equipment (Note 5)	\$42,000	\$50,000	ACH	Before opening	Us
Computer Hardware and Software (Note 6)	\$4,000	\$5,000	Check/Charge	Before opening	Third-party vendors
Supplies (Note 7)	\$10,000	\$15,000	Check/Charge	Before opening	Third-party vendors
Leasehold Improvements (Note 8)	\$105,000	\$210,000	Check/Charge	Before opening	Third-party vendors
Rent and Security Deposit (Note 9)	\$10,500	\$27,000	Check	Monthly	Landlord
Architectural Services (Note 10)	\$5,000	\$10,000	Check/Charge	As incurred	Architect
Signage (Note 11)	\$1,000	\$2,000	Check/Charge	Before opening	Third-party vendors
Grand Opening Marketing (Note 12)	\$1,000	\$3,000	Check/Charge	As incurred	Third-party vendors
Payroll (Note 13)	\$20,000	\$30,000	Check/ACH	Bi-weekly	Employees
Insurance (Note 14)	\$3,000	\$4,000	Check/Charge	As incurred	Third-party vendors
Professional Fees (Note 15)	\$3,000	\$5,000	Check/Charge	Before opening	Accountants, Attorneys
Utilities (Note 16)	\$500	\$1,000	Check/Charge	As incurred	Third-party utilities
Licensing costs (Note 17)	\$500	\$2,500	Check/Charge	Before opening	State agencies
Additional Funds- 3 months (Note 18)	\$10,000	\$20,000	Check/Charge	As incurred	Us, affiliate, and third-party vendors

Type of Expenditure	Estimated Amount		Method of Payment	When Due	To Whom Payment is to be Made
TOTAL (Notes 19 and 20)	\$290,000	\$466,500			

*The fees paid to us are non-refundable. Whether such fees paid to third parties are refundable would depend upon their policies.

Note 1 – Initial Franchise Fee. The Initial Franchise Fee is \$49,500 per territory. We base the table above on the purchase of a single franchise and the cost to open one outlet in the territory. We do not finance any portion of the Initial Franchise Fee or other costs listed in the table above.

Note 2 – Initial Training Fee. You agree to pay this fee to us to defray our costs in providing initial training in Massachusetts and afterwards at your location.

Note 3 – Travel and Living Expenses to Attend Initial Training. We normally offer initial training in Cambridge, Massachusetts. Travel and living expenses will vary significantly depending upon whether you live within driving distance or whether you must fly, rent a car, or incur lodging expenses. Your costs may vary.

Note 4 – Our Travel and Living Expenses to Train at Your Location. You agree to directly pay for our travel and living expenses for the two weeks of follow up training at your location, or reimburse us for any expenses we incur which you have not previously paid directly to third party vendors.

Note 5 – Furniture, Fixtures, and Equipment. These costs are to cover furniture, fixtures, and equipment that you will need to operate your outlet, including such items as desks, chairs, telephones, and similar items.

Note 6 – Computer Hardware and Software. These costs are for required computer hardware and software which we describe in more detail in Item 11.

Note 7 – Supplies. These costs cover various supplies to stock your outlet.

Note 8 - Leasehold Improvements. You will need to operate from an appropriate retail location. The amount of leasehold improvement expense that you will incur will depend upon the extent to which you will need to make renovations and repairs.

Note 9 - Rent and Security Deposit. You will need to rent a location containing approximately 2,700–3,200 square feet. The amount of rent that you will incur will vary considerably in different market areas. We estimate rent for the first month plus a security deposit for one month's rent.

Note 10 – Architectural Services. You will need to engage an architect to assist with your build out. Your costs will vary.

Note 11 – Signage. We provide estimates for exterior signage. Type of signage allowed varies depending on city ordinances and landlord preferences. Your signage needs and costs will vary.

Note 12 – Grand Opening Marketing. We require you to engage in a Grand Opening Marketing campaign to draw attention to the opening of your business.

Note 13 – Payroll. We estimate payroll on your employing a daycare Director and teachers as needed for your students.

Note 14 – Insurance. You will need insurance as we describe in detail in Item 8.

Note 15 – Professional Expenses. You may incur professional legal and accounting fees to assist with your franchise purchase, your entity set up, licensing, and other legal and accounting issues.

Note 16 – Utilities. Utilities rates vary by market areas. Additionally, some utilities such as gas, electric, sewer, water, or trash removal are included in the lease rate and some are not.

Note 17 – Licensing Costs. You will need to obtain a state daycare and any other applicable licenses.

Note 18 - Additional Funds. Additional funds are to pay for the Music and Curriculum Development Fee, Open Door Montessori Fee, meals and snacks for students, permits, miscellaneous expenses, and to maintain sufficient working capital. We base this estimate upon the years of experience our management team has in the daycare industry.

Note 18 - Does not include Royalties, Advertising Fees, interest expenses, or taxes.

Note 20 - These figures are estimates of your initial expenses covering the first three months of your operation. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on: how well you follow our methods and procedures; your management skills; experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; and competition. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The Goods or Services Required to be Purchased or Leased:

Advertising and Marketing. You must use advertising material from us, a vendor that we designate, or we must approve the advertising in writing, prior to its use.

Architectural Services. You must use architectural services to assist with your build out. You may purchase these services from any qualified Architect.

Computer Hardware and Software. You must purchase computer hardware and software subject to our specifications, which may include a vendor designation.

Curriculum and Music Materials. You must use the curriculum and music materials that our affiliate, Fiddlefox LLC provides and you will pay for these through the Music and Curriculum Development Fee.

Furniture, Fixtures, and Equipment. You must purchase your initial furniture, fixtures, and equipment from us, but then for any later purchases, may purchase these items pursuant to our specifications, which may include a vendor designation.

Food and Snacks. You must purchase food and snacks from our affiliate, Fiddlefox LLC d/b/a Rock and Roll Kitchen in certain metropolitan areas and in other areas, must purchase food and snacks pursuant to our specifications, which may include a vendor designation.

Infant Supplies. You must purchase infant supplies pursuant to our specifications, which may include a vendor designation.

Insurance. You must purchase and maintain insurance that we specify. All policies must name us and our designated affiliates as an additional insured and you must furnish us proof of coverage. You may obtain additional insurance coverage as you feel necessary. You may purchase your insurance from any carrier rated A- or better subject to our approval, not to be unreasonably withheld. Here are our present insurance specifications:

Type	Amount
Comprehensive General Liability Insurance	\$1,000,000 per occurrence/ \$2,000,000 aggregate
Additional Comprehensive General Liability Insurance	\$1,000,000
Employer's Liability, Worker's compensation, and Occupational Disease Insurance	\$1,000,000
Care, Custody, or Control Insurance (optional)	\$150,000
All-Risk Property Insurance (optional)	80% of the replacement cost of the building; 100% of the replacement costs of the contents"

You may elect to have reasonable deductibles for the coverages described in above.

Certificates of insurance must be sent in upon annual expiration date.

Leased Location. You will need a site in which to operate the Franchised Business. We furnish site selection guidelines. We require you to send to us any proposed lease and information as required by us to evaluate the site for our approval before you sign the lease. You may lease from any landlord.

Leasehold Improvements. You may purchase leasehold improvements from any supplier but must build out your location pursuant to our specifications.

Online Training Platform. You must purchase and use an online training platform providing educational training in the Montessori Method from our affiliate Fiddlefox LLC d/b/a Open Door Montessori.

Signs. You must purchase signage from a supplier that we designate or subject to our specifications.

Supplies. You must purchase supplies pursuant to our specifications, which may include vendor designations.

Whether we or our Affiliates are Approved Suppliers:

We are an approved supplier of advertising material, but not the only approved supplier of most of these items.

We are an approved supplier, and the sole approved supplier, of your initial furniture, fixture, and equipment package.

Our affiliate, Fiddlefox LLC, is the sole approved supplier of Curriculum and Music Materials, Food and Snacks, and an Online Training Platform.

Officer Interests in Suppliers:

Our officers, Christopher Vuk and Zaure Vuk, own an interest in us and in Fiddlefox LLC.

Alternative Suppliers:

We do not maintain written criteria for approving suppliers and thus these criteria are not available to you or your proposed supplier. We do permit you to contract with alternative suppliers if approved by us and they meet our criteria. We charge \$100/hour plus any costs incurred to test another supplier that you propose. If you wish to propose to us another supplier, you may submit the proposed supplier that you wish for us to consider in writing. Your request must include sufficient specifications, photographs, drawings and other information and samples to enable us to determine whether supplier meets our specifications. Your request must also provide confirmation that the supplier is financially sound and carries adequate liability insurance. We will examine the quality of the items and the supplier's ability to supply a sufficient quantity in a timely way with good customer service to determine whether to consider adding the supplier to our list of approved vendors. We will notify you within 30 days if we approve or disapprove of an alternative supplier. If we revoke approval for a supplier, we will provide written notice to you.

Issuance and Modification of Specifications:

We issue and modify specifications and standards to franchisees or approved suppliers through our Operations Manual or through informational bulletins we issue from time to time.

Revenue from Required Purchases:

We may, but do not currently, derive revenue or other material consideration from required purchases or leases by you.

Our affiliate, Fiddlefox LLC, derives revenue from your purchase of Music and Curriculum Materials, an Online Training platform, and meal and snack purchases from them.

In our last fiscal year, neither we nor our affiliates earned revenue or other material consideration from required purchases or leases by franchisees.

Required Purchases as a Proportion of Costs:

We estimate that required purchases described above will be approximately 50-70% of all purchases and leases by you of goods and services to establish a franchise and approximately 30-50% of your operating costs.

Supplier Payments to Us:

Designated suppliers may make payments to us from franchisee purchases.

In the fiscal year ended December 31, 2018, we did not yet receive any supplier rebates but anticipate supplier rebates in the future.

Purchasing or Distribution Cooperatives:

At this time, we do not have any purchasing or distribution cooperatives.

Purchase arrangements:

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of our franchisees.

Material Benefits:

We do not provide material benefits to you based on your use of a particular supplier. However, when your franchise is up for renewal, to continue your franchise rights, we require you to be in compliance with your franchise agreement, which includes compliance with any supplier standards that are contained in our Operations Manual.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure document
a. Site selection and acquisition/lease	3, 6.2	11
b. Pre-opening purchases/leases	6.10, 6.11, 6.12, 6.13	7, 8
c. Site development and other pre-opening requirements	6.2	11
d. Initial and ongoing training	5.10, 6.1, 6.8; Schedule 4	11
e. Opening	6.3; Schedule 4	11
f. Fees	4, 7, 13.3, 15, 19.11; Schedule 4	5, 6, 7, 8, 11
g. Compliance with standards and policies/Manual	6.4	8, 11
h. Trademarks and proprietary information	7, 8	13, 14
i. Restrictions on products/services offered	6.6	8, 16
j. Warranty and customer service requirements	6.7	6
k. Territorial development and sales quotas	3; Schedule 4	12
l. Ongoing product/service purchases	6.10, 6.11, 6.12;	8
m. Maintenance, appearance & remodeling requirements	6.14	Not Applicable
n. Insurance	6.9	8
o. Advertising	7	8, 11
	13.3	6

Franchisee's Obligations	Section In Franchise Agreement	Item in Disclosure document
p. Indemnification		
q. Owner's participation/management/staffing	6.5	15
r. Records and reports	9	11
s. Inspections and Audits	9	11
t. Transfer	14	17
u. Renewal	2.2	17
v. Post-termination obligations	11	15, 16, 17
w. Non-competition covenants	12	15, 16, 17
x. Dispute resolution	19	17

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before Opening:

Initial Training. We provide an initial training program in Cambridge, Massachusetts. The topics covered in initial training are described in the chart below in this Item 11. (Franchise Agreement, Section 5.1).

Site Selection. We do not generally own the premises and lease it to you. We provide to you criteria to help you select a site. We must approve any site you select before you sign a lease for that location. We do not select the site. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the information required by us on the proposed site.

We consider the following factors when reviewing a proposed site: (i) residential population, (ii) income levels, (iii) demographics, (iv) competition, (v) visibility, (vi) proximity to other Rock and

Roll Daycare centers, (vii) accessibility, (viii) traffic, (ix) size, (x) condition and character, (xi) parking, and (xii) available signage.

If you do not locate a site of which we approve within 120 days of the date of the Franchise Agreement, we can terminate the Franchise Agreement without any refund to you, or allow you more time. (Franchise Agreement, Section 5.2(a)).

Plans and Layout. We will furnish a sample site layout plan. (Franchise Agreement, Section 5.2(b)).

Build out. It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements and obtain any required permits. (Franchise Agreement, Section 6.2(b)).

Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement. (Franchise Agreement, Sections 5.2(c) and 6.2(d)).

Assistance to Hire and Train Employees. We offer assistance to recruit and train your Director, Music Director, Curriculum Director, and up to three teachers. (Franchise Agreement, Section 5.3).

Assistance to obtain equipment, signs, fixtures, opening inventory, and supplies. We provide your furniture, fixtures, equipment, and curriculum and music supplies. We provide guidance to obtain signs through third party vendors. We make advertising templates available online. Otherwise, we provide the names of approved vendors or specifications for these items. We deliver the items that we provide but do not install them. (Franchise Agreement Section 5.4).

Operations Manual. We provide access to our Operations Manual ("Manual") to offer guidance in the operation of your Franchised Business. (Franchise Agreement, Section 5.5).

State Licensing. We will assist you with the process of obtaining the appropriate state daycare license. (Franchise Agreement, Section 5.6).

Computer Hardware and Software. We specify computer hardware and software to assist in the operation of your Franchised Business. (Franchise Agreement, Section 5.7).

Length of Time Before Opening: The typical length of time between the signing of the Franchise Agreement and the opening of your outlet is 120 and 240 days. You agree to begin operations and be open for business no later than **8 months** from the time both parties execute the franchise agreement. If you and we can not agree on a site, we can allow you more time to search for a site or terminate the franchise agreement.

Factors that can affect the time length in which to be open for business include: the time needed to (1) obtain financing; (2) enter into a lease; (3) comply with zoning; (4) obtain licenses and permits; (5) weather conditions; (6) perform construction; (7) acquire and install furniture, fixtures, equipment, and signage; and (8) hire and train staff.

During the Operation of the Franchise:

Computer Hardware and Software. We specify computer hardware and software to assist in the operation of your Franchised Business. (Franchise Agreement, Section 5.7).

Operational Support. We provide support to you in operational problems and issues that you may encounter in the operation of your Franchised Business. (Franchise Agreement, Section 5.8).

Marketing Support. We offer marketing assistance and support. (Franchise Agreement, Section 7).

Accounting Assistance. We provide a chart of accounts for you to use in your bookkeeping. (Franchise Agreement, Section 5.9).

Additional Training or Seminars. We may elect to offer additional training or seminars. (Franchise Agreement, Section 5.10).

Advertising Program and Fund:

Advertising Fund. You agree to contribute 1% of your Gross Revenues into our Advertising Program. Franchisor owned outlets do not have to contribute to the Advertising Fund, but may do so. We administer the Advertising Fund. The Fund is not audited. Unaudited financial statements of the Advertising Fund will be made available to you upon written request.

In our last fiscal year ending December 31, 2018, we did not raise or spend any Advertising Fund fees.

If not all Advertising Fund fees are spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year.

We may use up to 10% of the Advertising Fund fees to solicit new franchise sales.

Our Obligation to Conduct Advertising. We use monies in the Advertising Fund to advise you in the conduct of advertising or conduct advertising ourselves using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located. (Franchise Agreement, Section 7.4).

Corporate Website. We will develop and maintain a comprehensive website that is built with location-specific content. You and we will work together to mutually determine the location-specific content for your Franchised Business. (Franchise Agreement, Section 7.4).

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, twitter, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, Franchised Business, marks and franchise opportunities. We have the sole right to control all aspects of any

digital marketing including all digital marketing related to your Franchised Business. Unless we consent in writing, you or your employees may not conduct any digital marketing that uses our marks or relates to your Franchised Business, including through an independent website, or social media account. We may withdraw approval at any time and you must immediately modify or delete any digital marketing as required. (Franchise Agreement, Section 7.4).

Digital Campaigns. We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor. (Franchise Agreement, Section 7.4).

Print Material. We or an approved vendor will make available to you templates for print material such as business cards, flyers, and brochures which you can complete and send to a local printer at your own cost. (Franchise Agreement, Section 7.4)

Use of Your Own Advertising Material. You may use your own advertising materials provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. (Franchise Agreement, Section 7.5).

Private Websites. You are not allowed to have an independent website or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval. (Franchise Agreement, Section 7.5).

Advertising Council. We do not have an advertising council composed of franchisees that advises us on advertising policy, but we reserve the right to form one in the future.

Advertising Cooperative. You are not required to participate in a local or regional advertising cooperative.

Computer Systems:

You must comply with our computer hardware, software, and POS specifications. At present, we require you to have an internet connection, email, and the following hardware and software:

Hardware

All Directors and Administrative personnel will need a desktop or laptop computer running in excess of OS 10.13.6 (for mac) or Windows 10 (PC). In addition, desktop computers of equivalent capability shall be provided for staff usage and teacher planning (1 staff computer per 8 FT staff). Each Director must maintain a printer with photocopy ability, and each staff computer shall have its own assigned printer (each facility must have one color printer).

Each classroom shall have its own assigned iPad tablet with case (All tablets must be iPad 3's or higher). Additionally, there shall be an assigned iPad to be used during guided center tours.

These items can be purchased for approximately \$2,500 - \$3,000.

Software

You will also need to subscribe to such software as we specify, presently the following software at the monthly costs listed:

Software Name	Nature	Cost per month
BumblebeeHQ	Child Care Enrollment Software	\$40-80/mo.
Hubspot	Marketing, Sales, and Service Software	\$100/mo.
Gusto	Payroll	\$149/mo. base + \$12/mo. per person
Quickbooks Online	Bookkeeping	\$35-\$70/mo.
Dropbox	Document storage	\$15/mo.
G Suite (Google)	Cloud computing tools	\$6/mo. per user
Arlo	Training management	\$96/mo.
Brightwell	Point of Sale Payment Processing	\$2/mo. per active child

Neither we nor our affiliates or any third party have any obligation to provide ongoing maintenance, repairs, upgrades or updates. You must maintain your computer systems in good working order and must replace, update or upgrade your hardware systems as we require. The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your computer systems is approximately \$1,000.

Independent Access to Information. We have and you are required to provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information. You must at all times give us access to your classroom camera system. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. If, as part of a review of your business, we request a copy of any business records, you must send us at your expense these records within five business days of receiving our request.

Operations Manual:

Exhibit H contains the Table of Contents to the Operations Manual along with the page count per chapter and total page count. The total page count of the Operations Manual is 328 pages.

Initial Training Program:

We will provide Initial Training including our Initial Training for up to one Owner (plus your spouse at no additional cost if you choose), your Director, Music Director, Curriculum Director, and up to three teachers plus additional support services during the opening of your Facility. The Initial Training is completed in phases beginning at the signing of your Franchise Agreement and

continuing as follow up school visits according to the support plan, in accordance with our Master Task List of tasks designed to be performed to open your Site in an efficient and effective manner. We may require or permit additional Owners or your staff to attend Initial Training at an additional fee of \$4,000 per each additional attendee.

Initial Training includes (i) New Franchise Owner Orientation, (ii) Franchise Management Training, (iii) and Rock and Roll Daycare ("RRDC") Education System all in our corporate facility or another location that we designate; and (iv) hand on on-Site training conducted at an approved training Facility we designate. This portion of Initial Training will last three weeks. Initial Training will also include one week of pre-opening training and one week of post-opening training and support services at your Site.

Other required components of the Initial Training may include self-paced online courses, webinars and reading assignments. Initial Training covers all material aspects of the operation of a Facility, including: (a) general knowledge in promotion, advertising and marketing and sales techniques; (b) the ability to assess the needs of potential clients; (c) general school, business and professional practice operations and disciplines; and (d) proper implementation of the RRDC Education System Curriculum and programming; and (e) hiring, onboarding, training and mentoring school staff members.

If you are purchasing an existing Facility, the Initial Training must be completed in sequence prior to the closing of your purchase of the Franchise from the transferring franchisee by you, your Director and your Head Teacher whoever has not previously completed Initial Training to our sole discretion in a satisfactory manner.

Currently, we conduct Initial Training several times throughout the calendar year at the times we determine necessary. The following table identifies the scope of Initial Training, including classroom training listed by subject matter and approximate classroom hours, as well as on-Site training. The actual number of hours spent on each subject during on-the-job training will vary. The information provided in the classroom and on-Site training are taken to a practical level through the support provided during the pre-opening, opening, and post-opening processes.

TRAINING PROGRAM

Subjects

Business Management

- RRDC Culture & Purpose (Includes Culture, Vision, Mission, Values, and Principles of Service)
- RRDC Facility Site Operations
- Business Plan
- Reporting
- Software, Accounting, Banking

Site Leadership, Relationships and Responsibilities

- Roles and Responsibilities
- Business and Financial Management
- Hiring, Onboarding and Mentoring an Inspired Team
- Enrollment Strategies
- Financial and Accounting Compliance

Professional Development

- Continual Learning Plan
- Orientation Plans by program
- Intro to RRDC
- Crisis Management
- Health & Safety
- Classroom Policies & Procedures
- Licensing Requirements
- Administrative Policies & Procedures
- Parent Relations
- Infrastructure- accounting, technology, legal and administrative

Facility Environment

Development- Marketing, Sales & Communication

- Social Media Marketing Strategy
- Internal School Referral Marketing
- Prospect to Client Sales Pipeline
- Branded Collateral
- School Web Site
- Community Marketing and Grass Roots
- Public Relations
- Co-op and National Support

RRDC Education System

- Overview
- Montessori education outline

- Music Integration
- Culture Integration
- Music Specialists
- Curriculum Development Principles
- Age Appropriate Curriculum Development
- Age Appropriate Music Development
- Using Curriculum Materials
- Using Music Materials including Fiddle Fox Lessons and Materials
- Quality Assurance

We provide the following initial training for you and your Director in our home office and at a RRDC Facility Site of our specifications:

**(1) TRAINING IN OUR HOME OFFICE
(Franchisee and Director)**

Subject	Number of Hours ¹		Location
	Classroom	On the Job	
Business Management	28	2	Cambridge, MA and/or on-site in a designated approved training school
Site Leadership, Relationships and Responsibilities	14	2	
Professional Development	12	2	
Facility Environment	2	2	
Development- Marketing, Sales & Communication	10	2	
RRDC Education System	16	22	
Total	88	32	

We provide the following initial training to teachers at a RRDC Facility Site our specifications.

(1) TRAINING IN OUR HOME OFFICE
(Music Director, Curriculum Director, and Teachers)

Subject	Number of Hours ¹		Location
	Classroom	On the Job	
Business Management	8	0	Cambridge, MA and/or on-site in a designated approved training school
Site Leadership, Relationships and Responsibilities	2	2	
Professional Development	2	0	
Facility Environment	2	1	
Development- Marketing, Sales & Communication	2	0	
RRDC Education System	16	85	
Total	32	88	

(2) TRAINING AT YOUR LOCATION

Subject	Number of Hours ¹		Location
	Classroom	On the Job	
RRDC Facility Site Set-up	0	12	At your site
Parent Sales Consultation	0	12	
Office Supply and Inventory	0	1	
Software	0	2	
Student Flow	0	1	
Invoicing	0	1	

Subject	Number of Hours ¹		Location
	Classroom	On the Job	
Reporting	0	1	
Review and oversight	0	10	
Mock Classroom training sessions	0	48	
TOTAL	0	80	

Note 1: The hours devoted to each subject are estimates only and may vary substantially based on how quickly trainees grasp the material, their prior experience with the subject, and scheduling.

Note 2: The instructors, and consequently the level of experience of the instructors teaching the subjects, are subject to change at any time.

The above training is provided in a combination of classroom training at a RRDC corporate facility, hands on training in a RRDC affiliate owned facility, and by our staff at your Facility Site. RRDC will also provide support services and answer questions and assist our Franchisee and their staff through various means such phone, text, email and video conferencing.

RRDC provides you with ongoing enhanced training support. We supply you with Music and Curriculum Directors who do video conference training related to 1) monthly and bi-monthly curriculum and materials, 2) continuing training on the RRDC Educational Method for teachers and music specialists, 3) teacher and music specialists' reviews and ratings and career development tasks, and 4) planning and executing special events for you Site including multi- Site area wide events. Our Music and Curriculum Directors also make periodic on-site visits to further support the learning environment and career development of your teachers and music specialists.

The instructional materials used in Initial Training include our Confidential Manuals, plus the software, checklists, and other classroom training manuals produced by us.

All training will be overseen by Melissa Garcia. Melissa Garcia has been maintaining business management roles for over 15 years, working in Early Childhood Education for 5 years. During this time in Early Ed, she has excelled in her knowledge and expertise - rising to the Operations Director for RRDC Northeast. Melissa has been responsible for building infrastructure, opening and designing new facilities, serving as liaison to DEEC, maintaining full knowledge of state compliance and regulations, maintaining 95% enrollment for all locations, training center directors and teachers, and coordinating with the parent community. Melissa will be assisted by Tanya Nalen, Phil Berman, Barbara Bisceglia, and Fatima Waheed

Tanya Nalen is the Lead Center Director at Rock and Roll Daycare Inman Square. She has been working in Early Childhood Education for over 15 years, spending the past 6 years as a Center Director - 3 of which have been at RRDC. Her current responsibilities include maintaining EEC required documents, policies and center procedures, sourcing and hiring quality educators, creating a healthy teacher and parent community, assist in opening procedures for new locations and

training Center Directors.

Phil Berman is the Music Director for RRDC and is an early childhood music educator, singer-songwriter, author, and co-creator of Fiddlefox. A lifelong musician, Phil studied theater at Boston University and worked as an actor, dramaturg, and literary manager in Boston while he developed and performed his original puppetry series *Puppet Playtime* at Brookline's Puppet Showplace Theater. Phil began working with Rock and Roll Daycare in 2013, and has been working with the school to deepen and hone the music and cultural curriculum ever since, integrating concepts from Dalcroze Eurhythmics and other schools of music pedagogy.

Barbara Bisceglia is the Curriculum Director for RRDC. Barbara has been in the field of early education for over 12 years. She has experience as an Early Intervention Specialist and Montessori educator. She holds Infant/ Toddler & Early Childhood AMS Montessori certifications and a Master's Degree in Education. Her current role at RRDC includes developing curriculum, assisting in environmental design and training teachers and directors.

Fatima Waheed has served as a Curriculum Director for our affiliate, Rock and Roll Daycare Central Square LLC from January 2019 to the present in Cambridge, Massachusetts, and previously, from September 2018 to January 2019, served as a Curriculum Consultant for the same entity. From February 2016 to August 2018, Ms. Waheed served as a Lead Teacher for Rock and Roll Daycare East Cambridge, LLC. From January 2013 to July 2014, Ms. Waheed served as a School Supervisor for Acers Preschool in Karachi, Pakistan.

The Instructors' length of experience in the field and with us is shown in the following chart:

<u>Instructor</u>	<u>Years of Experience in the Field</u>	<u>Years of Experience with the Franchisor*</u>
Melissa Garcia	9	4
Tanya Nalen	16	3
Phil Berman	8	6
Barbara Bisceglia	9	3
Fatima Waheed	2	5

*Includes years of experience with any of our affiliates.

Other executives described in Item 2 will participate in portions of Initial Training.

As part of our Initial Training and Support Services (IT), we will also provide pre-opening, opening, and post-opening support that includes ongoing support from our Information Technology and Accounting teams; online training programs, grand opening support and attendance; and operations, marketing, and education support.

If you purchase an existing Facility, in addition to the above training and support, we will also attend your initial staff meeting and provide on-Site support at your facility during the first two to three business days following the purchase of the existing school as needed. We provide additional support and training for the first 90 days following the purchase based on assessment of needs at the time.

Training of Employees.

We will provide on Site, face-to-face, initial training of your staff and support of you, your Director and your staff the week before and the week after you open your school.

Prior to our New School Staff Training Week, you will provide time for staff to take the RRDC online training courses that include Introduction to the RRDC Education System approach to teaching and learning, health and safety procedures and class-specific training. Thereafter, it is your obligation to train all of your employees and to ensure that all employees are properly trained and meet all of our and any governmental agencies' requirements relating to training. However, if you are not able to provide such employee training, upon your request we may provide training to new and/ or previously trained employees. Training by us will be at reasonable times and subject to availability of our representatives. Generally, training of your staff will be held at your Facility, but we could hold training at another Site or facility designated by us. You agree to pay us \$2,500 plus any expenses we incur if we come to you for training for the initial training of a Replacement Director, if we provide such training more than once per calendar year. You agree to pay to us \$1,000 plus any expenses we incur if we come to you for training to offer initial training to a replacement Music Director or Curriculum Director.

Additional Training and National Conference.

From time to time, we may, in our sole discretion, provide and may require one or more of your Owners, managers, directors, or other employees, to attend our National Conference and to attend and successfully complete refresher training programs, seminars, or workshop "Additional Programs," which may be conducted at the times and the locations that we designate. We may require you to pay a registration fee (typically \$495 per person) for each attendee to attend Additional Programs and we reserve the right to require you to pay any costs we incur in providing the Additional Program, which we typically only pass along for individualized on site programs. For required attendees, you must pay the applicable registration fee whether or not such individual actually attends the Additional Program. We will not require an Owner or any of your managers, directors or other employees to attend more than two Additional Programs or more than ten business days of Additional Programs in any calendar year. You are responsible for arranging and paying for travel and living expenses that it or its representatives incur related to any Additional Programs.

You consent, up to one time per month, to the following individuals in your franchise participating in on site or electronic, coaching sessions with a Business Culture Coach provided by us: You, Center Director, Music Director, Curriculum Director, and any additional staff we designate. The Business Culture Coach will provide ongoing support, leadership coaching, and community engagement. You do not pay for this coaching but must cover any costs you incur, such as employee salaries, for your employees to attend.

Expenses During Training.

You must bear all costs and expenses incurred by you, your Owners, your Directors, and your employees in attending any training, workshops, or seminars, including, among others, each of your trainees' wages and travel and living expenses.

ITEM 12 TERRITORY

The territory will be for a specific geographic region that we define by zip codes, natural, or political boundaries as set forth on Schedule 1 to the Franchise Agreement.

A territory will normally include a total population of 25,000 or more households with average total family income of \$100,000 or more and a population of 1,000 or more children ages 0-4.

We may approve relocation of the franchised business if we feel that conditions have changed such that a relocation represents a sound business decision (e.g., better lease terms, more visibility, or other improvements in the new location).

We may grant to you approval to open an additional outlet within your territory if we feel that the territory can support an additional outlet, you are performing strongly already, and we feel you have the time, energy, capital, and management structure to properly support an additional outlet. You must pay our current Additional Outlet Fee and a reduced Initial Training Fee to open another outlet in your territory.

To receive our approval to open an additional outlet in your territory, you must also generally meet the following criteria:

- you must have operated an outlet for a minimum of 12 months;
- you must be in compliance with Operations Manual;
- you must be within 10% of the financial projections in your business plan (or collecting 90% of maximum enrollment fees during the previous 3 months); and
- you must not have received 3 or more customer/staff/community complaints in the prior 12 months.

We may grant you additional franchise territories if you are performing strongly already, and we feel you have the time, energy, capital, and management structure to be able to successfully open and operate another territory.

In territories where we believe the population and other demographic factors permit, you may purchase an Option for the right to open one or two additional outlets in your territory, as we specify, for \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet. In order to exercise an Option to open a second outlet, the first outlet must be operational for a minimum of 9 months, you must obtain an approved location for the second outlet within 15 months from when the first outlet opened, and the second outlet must be open within 24 months from when the first outlet opened. In order to exercise an Option to open a third outlet in your territory, the second outlet in your territory must have been operational for at least 6 months, you must obtain an approved location for the third outlet within 12 months from when the second outlet opened, and the third outlet must be open within 21 months from when the second outlet opened.

If you exercise the Option Agreement, you must pay to us the balance of the initial franchise and initial training fees then in effect, as we will credit the \$20,000 paid against the then current initial franchise fee. You must pay a reduced Initial Training Fee of \$7,500 each time you open another

outlet in your territory. The Option Fee is non-refundable once paid. See the Option Agreement attached as Schedule 4.

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

Continuation of your territorial rights does not depend on achieving a certain sales volume, market penetration, or other contingency. We do not reserve the right to modify your territorial rights, for example, if there is a population increase in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You and other franchisees may not solicit (but may accept) orders from consumers outside of your territory, including through the use of other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, but you may engage in internet and social media marketing pursuant to our guidelines which such marketing may extend outside your territory. We also reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

[remainder of page intentionally left blank]

ITEM 13 TRADEMARKS

The franchise agreement licenses to you the right to use the following principal trademarks ("Marks") registered or applied for with the U.S. Patent and Trademark Office ("USPTO"):

Description of Mark	Serial/Registration Number	Principal or Supplemental Register of the USPTO	Registration Date
Rock and Roll Daycare	4503478	Supplemental	March 25, 2014
 The logo for Rock & Roll Daycare, featuring the words "Rock & Roll" in a stylized, bold font with a musical note symbol between the words, and "DAYCARE" in a smaller font below it.	88582113	Principal	Pending (Applied for August 16, 2019)

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

We have filed all required affidavits and renewals.

There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by the franchisor. There are no pending material federal or state court litigation regarding our use or ownership rights in a trademark.

Music Makers' Foundation, Inc., a Massachusetts Corporation, owns the trademarks listed in the chart above and licenses them to us pursuant to a written License Agreement dated August 29, 2019. The License Agreement is perpetual in duration and may be terminated upon a material breach not remedied after 30 days' written notice. If the License Agreement was terminated, you could lose the right to use the trademarks licensed to us under the License Agreement. There are no other currently effective agreements that significantly limit our rights to use or license the use of our trademarks listed in this section.

If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Marks, you must promptly notify us. We are not required to take affirmative action when notified of these uses or claims.

We have the sole right to control any administrative proceedings or litigation involving a trademark licensed by us to you. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorably to you.

If we discontinue or modify our Marks, you must adopt and use any new marks as required by us. Any expenses you incur because of adopting and using these marks are your responsibility.

We do not know of any superior prior rights or infringing uses that could materially affect your use of our Marks anywhere.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

At this time, we do not hold any patents. We claim a copyright to our Operations Manual, marketing material such as our website text, and other printed material, although we have not presently filed a registration of those copyrights. We consider all of these items confidential and proprietary. Upon termination of your franchise agreement, you must return to us our Operations Manuals and any confidential information.

You will not directly or indirectly disclose, publish, disseminate or use our "Confidential Information" except as authorized in the Franchise Agreement. You may use our Confidential Information to perform your obligations under the Franchise Agreement, but in doing so you will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information. We may share performance data of your franchised business between us, our employees and affiliates, our franchisees and their employees. You agree to keep such performance data confidential.

"Confidential Information" means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

"Customer Data" is considered Confidential Information, and includes all information about Customers that may be collected in connection with their use of your services, including, but not limited to, name, telephone number, address and email address.

Upon termination of your franchise agreement, you must return to us our Operations Manuals and any Confidential Information, including Customer Data. You may never - during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated - reveal any of our Confidential Information to any other person or entity or use it for the benefit of any other person or business.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE BUSINESS

You are required to participate personally in the direct operation of the Franchised Business. Unless you fulfill the role yourself, you must also hire a daycare Director and will need to hire teachers.

Any Director must also pass our initial training but is not required to have an equity interest in a franchisee which is an entity.

You and all of your employees, contractors, volunteers, and interns must pass a background record check.

All owners of this franchise must guarantee the obligations under the Franchise Agreement.

You agree to accurately and completely furnish to us the names, contact information, and ownership percent on anyone owning an interest in this franchise on the Signature Page to the Franchise Agreement. No change to the owners or ownership percentages are permitted without our prior written consent.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale through your franchised business only daycare services as specified by us and such products and services that we have approved in writing. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved.

You may offer daycare services to any customers, consistent with your territorial rights.

You are required to sell all goods or services that we authorize, unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

For the duration of your franchise agreement, you may not offer competitive services in the states and territories of the United States unless you receive our prior written consent.

You are bound by a 2 year 50 mile post-term non-compete agreement that prohibits you from offering competitive services.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Franchise Agreement

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	2	10 years.
b. Renewal or extension of the term	2	Can be renewed for successive terms if you are in compliance with your Franchise Agreement ("Agreement").
c. Requirements for you to renew or extend	2	Renewing your Franchise Agreement means that you are able to continue your operations as a franchisee for an additional term. You must pay renewal fee, sign a general release of claims, notify us in writing at least 180 days before the expiration of the Agreement, and sign our then current Agreement, which may contain materially different terms and conditions than your original contract.
d. Termination by franchisee	10.1	You may terminate the Agreement if you do not renew.
e. Termination by franchisor without cause	None	Not applicable.
f. Termination by franchisor with cause	10.2, 10.3	We can terminate only if you default.
g. "Cause" defined – curable defaults	10.3	Violate the Agreement, Manual, any other agreement with us, or owe monies to us more than 30 days past due, and do not cure such breach within 30 days after notice.
h. "Cause" defined – non-curable defaults	10.2	Do not pass initial training, fail to obtain our approval of a site or open on time, become insolvent, commit a material violation of law, abandon the Franchised Business, submit a materially false Franchise Application, fraud, uncured default of other agreement, fail to pay suppliers an amount exceeding \$3,000 for more than 60 days; fail to permit us to inspect or audit your franchise; or commit three or more breaches within 12 months.
i. Franchisee's obligations on termination/renewal	11	Stop using our marks; deliver to us business records; pay debts due to us; cancel or assign telephone numbers to us; assist in lease transfer and our

Provision	Section In Franchise Agreement	Summary
		purchase of your assets, at our option; return Manual and Confidential Information to us; cancel fictitious names; adhere to the post-term covenant not to solicit employees; adhere to other post term duties; execute any necessary documents.
j. Assignment of contract by franchisor	14.1	We may assign to a successor in interest who remains bound by terms of Agreement.
k. "Transfer" by franchisee - defined	14.2	Includes transfer of Franchise Agreement, any interest of the Franchise Agreement, or substantially all of the assets of the Franchised Business.
l. Franchisor's approval of transfer by franchisee	14.2	We have the right to approve all transfers.
m. Conditions for franchisor's approval of transfer	14.5	You must be: -current in monetary obligations; -in compliance with the Franchises Agreement; -execute any transfer, amendment, or release forms that we may require; -provide to us a copy of the proposed transfer documents; -transferee must meet our criteria; -transferee must execute our then-current Franchise Agreement; -pay to us the Transfer Fee; -transferee must satisfactorily complete our initial training program; -comply with the post-termination provisions; -transferee must obtain necessary licenses and permits; -obtain any lessor approval for transfer; -the transfer must be made in compliance with any laws that apply to the transfer; -the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation; -you must request that we provide the prospective transferee with our current franchise disclosure document.
n. Franchisor's right of first refusal to acquire franchisee's business	14.6	We have a right of first refusal to match any purchase offer for your franchise, any interest in the franchise, or substantially all the assets of the Franchised Business.

Provision	Section In Franchise Agreement	Summary
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability by franchisee	15	Transfer must be commenced within 60 days, completed within 6 months; we must approve the transferee, transferee must attend and successfully complete training, and sign our current Agreement.
q. Non-competition covenants during the term of the franchise	12	No competition allowed in the United States and its territories.
r. Non-competition covenants after the franchise is terminated or expires	12	You may not compete in the Territory or within 50 miles of the Territory for 2 years.
s. Modification of the agreement	16	No modifications except to Operations Manual. Revisions to the Manual will not unreasonably affect the franchisee's obligations, including economic requirements, under the Agreement.
t. Integration/merger clause	18	Only the terms in the franchise agreement are binding (subject to federal or state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable. No claim in any franchise agreement(s) is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	19	You must first attempt to resolve claims against us through mediation.
v. Choice of forum	19	All claims must be brought before a court of general jurisdiction closest to our corporate office (subject to applicable state law).
w. Choice of Law	19	Massachusetts law governs (subject to applicable state law).

ITEM 18 PUBLIC FIGURES

We have not paid any compensation or other benefit to a public figure for the use of their endorsement or recommendation of the franchise to prospective franchisees.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable

basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

HISTORIC FINANCIAL PERFORMANCE REPRESENTATION

Presented below are the Gross Revenue, Net Profit, and Adjusted Net Profit for the four (4) Affiliate operated locations in Cambridge Massachusetts who operated for the entire time period of January 1, 2018 to December 31, 2018.

In 2018, we had five (5) Affiliate outlets in operation, four of which operated for the entire 2018 calendar year.

Our Affiliate has operated these locations since: (1) Central Square— October 2013; (2) East Cambridge – June 2012; (3) Lechmere – May 2014; (4) and Broadway – January 2017.

Because the results below are of existing outlets that have been in operation for some time, you should not expect to achieve the results below in your first year of operations. However, you will offer substantially the same services in a similar business format.

Our Affiliate has operated these locations since: (1) East Cambridge – June 2012; (2) Central Square— October 2013; (3) Broadway – January 2017; (4) and Lechmere – May 2014.

Because the results below are of existing outlets that have been in operation for some time, you should not expect to achieve the results below in your first year of operations. However, you will offer substantially the same services in a similar business format.

January 1, 2018 to December 31, 2018				
	Central Square	East Cambridge	Broadway	Lechmere
Gross Revenue	\$1,072,418	\$1,095,832	\$614,013	\$435,201
Operating Expenses				
Salaries and Benefits	\$537,280	\$610,927	\$322,442	\$225,190
School Supplies	\$21,842	\$25,955	\$12,179	\$6,702
Infrastructure	\$144,583	\$121,259	\$83,706	\$46,034
Meals	\$39,122	\$34,883	\$29,083	\$25,035
Music	\$28,583	\$29,326	\$17,424	\$14,511
Miscellaneous Expenses	\$2,739	\$2,309	\$1,497	\$819
TOTAL EXPENSES	\$774,149	\$824,659	\$466,331	\$318,291
Less Expense Adjustments that would be incurred if this were a franchised outlet				
Royalties	\$75,069	\$76,708	\$42,981	\$30,464
National Ad fee	\$10,724	\$10,958	\$6,140	\$4,352

Montessori Fee	\$14,376	\$14,376	\$10,296	\$8,856
Total Franchisee Expenses	\$100,169	\$102,042	\$59,417	\$43,672
Adjusted Net Profit as Franchise Center	\$198,100	\$169,130	-\$88,265	\$73,238

	East Cambridge	Central Square	Broadway	Lechmere
Capacity:				
Infant	14	7		
Toddler	25	18	17	
Pre School		15	8	20
Total	39	40	25	20

Gross Revenue is defined as all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes.

Cost of Sales represents direct costs associated with providing services.

Operating Expenses represents all ordinary and recurring operating expenses, interest, depreciation, and amortization.

Net Profit represents gross profit minus all ordinary and recurring operating expenses, interest, income taxes, depreciation, and amortization.

Adjusted net profit as if franchise center represents the historic Net Profit shown, less expenses a franchisee is likely to incur, as outlined in Item 6, namely Royalty fees (7% of Gross Revenues), National Advertising fees (1% of Gross Revenues), Fiddlefox Materials, Open Door Montessori Fees, and Curriculum and Music Director Fees.

East Cambridge and Lechmere share some common employees and \$60,000 of payroll costs were moved to Lechmere from East Cambridge.

Central Square expenses were reduced by \$21,196 due to one-time music curriculum development fee. East Cambridge expenses were reduced by \$21,852 due to one-time music curriculum development fee. Broadway expenses were reduced by \$13,038 due to one-time music curriculum development fee. Lechmere expenses were reduced by \$10,843 due to one-time music curriculum development fee.

Definition of Chart of Accounts

Salaries and Benefits: Inclusive of teacher salaries, director salary, employee benefits trainings, and staff childcare discounts.

School Supplies: Diapers, wipes, gloves, cleaning supplies, and all other classroom and childcare related supplies.

Infrastructure: Rent, insurance, utilities, repairs, and other building related expenses.

Meals: Daily child snacks (2 per day), meals (breakfast and lunch), and any additional food curriculum supplies.

Music: Music cultural programs (International Night performers/venue rental, Cultural Ambassador payments), Music teachers' payments.

Miscellaneous Expenses: Travel/Entertainment, Marketing/Consulting, and outside services.

Over the last 6 years, the Affiliate Company opened and operated two different size schools: Larger Schools of approximately 2,800 square feet with a capacity of approximately 40 students; and Smaller Schools of approximately 1,200 square feet with a capacity of approximately 20 to 25 students. Our Central and East Cambridge locations are Larger Schools and Lechmere and Broadway locations are Smaller Schools.

1. Rock and Roll Daycare is franchising Larger Schools and has no current plans to offer schools smaller than having a licensing capacity of 45 Students and with the student Age Groups in each School consisting of Infants, Toddlers and Pre-School.

We present below the number and percent of outlets that attained or surpassed the stated result, which is the outlet's Net Profit:

	East Cambridge	Central Square	Broadway	Lechmere
# of outlets who attained or surpassed the stated result	1	2	3	4
% of outlets who attained or surpassed the stated result	25%	50%	75%	100%

Written substantiation of the financial performance representation will be made available to you upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Christopher Vuk, 580 Cambridge Street, Cambridge, MA 02141; (857) 312-3701; the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

**System Wide Outlet Summary
For Years 2016 to 2018**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2016	0	0	0
	2017	0	0	0
	2018	0	0	0
Company- Owned	2016	3	4	+1
	2017	4	4	0
	2018	4	5	+1
Total Outlets	2016	3	4	+1
	2017	4	4	0
	2018	4	5	+1

Table No. 2

**Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2016 to 2018**

State	Year	Number of Transfers
All States	2016	0
	2017	0
	2018	0
Total	2016	0
	2017	0
	2018	0

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Table No. 3

**Status of Franchised Outlets
For Years 2016 to 2018***

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations-Other Reasons	Franchised Stores Operating at Year End.
All States	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
Total	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4

**Status of Company-Owned Outlets*
For Years 2016-2018**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Massachusetts	2016	3	1	0	0	0	4
	2017	4	0	0	0	0	4
	2018	4	1	0	0	0	5
Total	2016	3	1	0	0	0	4
	2017	4	0	0	0	0	4
	2018	4	1	0	0	0	5

*Company outlets refers to outlets run by our affiliates, as disclosed in Item 1.

**Table No. 5
Projected Openings as of December 31, 2018**

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Massachusetts	0	2	4
TOTALS	0	2	4

Exhibit E contains a list of the names of all current franchisees and the address and telephone number of each of their outlets.

Exhibit F contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We are not aware of any trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21 FINANCIAL STATEMENTS

Exhibit G contains our audited financial statements as of October 30, 2019.

Our fiscal year ends December 31.

We have not been in business three years yet and so can not include all financial statements required by the Franchise Rule.

ITEM 22 CONTRACTS

The proposed agreements regarding this franchise offering are included as exhibits to this Disclosure Document as follows:

- C. Franchise Agreement
 - Schedule 1-Territory
 - Schedule 2-Automatic Bank Draft Authorization
 - Schedule 3-Lease Rider
 - Schedule 4-Option Agreement
 - Schedule 5-SBA Addendum
 - Schedule 6-State Addenda to the Franchise Agreement
- D. Release

ITEM 23 RECEIPT

Exhibit I contains two copies of a Receipt of our Disclosure Document.

EXHIBIT A

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

The "Risk Factors" on the second page of the Disclosure Document are amended to also include the following:

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60 day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

The franchise agreement requires application of the laws of Massachusetts. This provision may not be enforceable under California law.

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

Our website is located at www.rockandrolldaycare.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

**ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision of the Franchise Agreement purporting to bind you to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

**MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT**

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17.u. is modified to also provide, "A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

3. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
 1. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

NEW YORK ADDENDUM TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NYS DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, N.Y. 10005; 212-416-8236.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national

securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled **"Requirements for franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer":**

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee":**

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled **"Assignment of contract by franchisor":**

However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled **"Choice of forum,"** and Item 17(w), titled **"Choice of law":**

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

EXHIBIT B

State Administrators and Agents for Service of Process

State	State Administrator	Agent for Service of Process
California	Department of Business Oversight 320 West 4th Street Los Angeles, CA 90013 1515 K Street, Suite 200, Sacramento, CA 95814 1-866-275-2677	Commissioner of Business Oversight Department of Business Oversight 320 West 4th Street Los Angeles, CA 90013
Connecticut	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299	The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103-1800 Phone Number (860) 240-8299
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Office of Attorney General Franchise Division 500 South Second Street Charlottesville, IL 62706 (217) 782-4465	Illinois Attorney General Office of Attorney General Franchise Division 500 South Second Street Charlottesville, IL 62706
Indiana	Secretary of State, Securities Division 302 West Washington Street, Room E-111 Indianapolis, IN 46204 (317) 232-6681	Secretary of State, Securities Division West Washington Street, Room E-111 Indianapolis, IN 46204
Kentucky	Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 (502) 696-5300	
Maryland	Office of the Attorney General Securities Commissioner 200 St. Paul Place	Maryland Securities Commissioner 200 St. Paul Place

	Baltimore, MD 21202 (410) 576-6360	Baltimore, MD 21202-2020
Michigan	Department of Attorney General Consumer Protection Division – Franchise Unit 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913 (517) 373-7117	Department of Attorney General 525 W. Ottawa Street G. Mennen Building Lansing, MI 48913
Minnesota	Minnesota Commissioner of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198
Nebraska	Nebraska Department of Banking and Finance 1200 N Street-Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 (402) 471-3445	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St. 21 st Floor New York, NY 10005 212-416-8236 Phone	New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492 Phone
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588	Department of Business Regulation Securities Division John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9588
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501
Texas	Secretary of State	

	Statutory Document Section P.O. Box 12887 Austin, TX 78711 (512) 475-1769	
Utah	Department of Commerce Division of Consumer Protection 160 East 300 South Salt Lake City, Utah 84111-0804 (801) 530-6601	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 E. Main Street Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501 (360) 902-8760	Securities Administrator Washington State Department of Financial Institutions 150 Israel Rd., SW Tumwater, WA 98501
Wisconsin	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703 (608) 266-8557	Wisconsin Department of Financial Institutions 345 West Washington Avenue Madison, WI 53703

ROCK AND ROLL DAYCARE FRANCHISING, LLC

FRANCHISE AGREEMENT

EXHIBIT C

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WHEREAS, Rock and Roll Daycare Franchising, LLC d/b/a Rock and Roll Daycare ("we," "us," or "our") offers a high-end music based daycare franchise program ("System"). Our system utilizes specified marketing techniques and operating procedures; and

WHEREAS, Franchisee and all Signators identified on the signature page to this Agreement, in your personal capacity, (collectively "Franchisee," "you," or "your") desire to utilize our System and our trade names, service marks, and trademarks (collectively, the "Marks"); and

NOW, THEREFORE, for value received, we and Franchisee ("the Parties") agree as follows:

1. GRANT OF FRANCHISE

1.1 Grant of Franchise. Subject to the terms of this franchise agreement ("Agreement" or "Franchise Agreement"), we grant to you a franchise ("Franchised Business") using our system and our Marks in the territory described in Schedule 1 ("Territory"). You agree to abide by the terms of this Agreement.

2. TERM AND RENEWAL

2.1. Term. This Agreement will be effective for a ten (10) year term beginning on the Effective Date specified in this Agreement.

2.2 Renewal. You may renew for another term by signing our then current franchise agreement if you are in compliance with this Agreement and meet the other conditions for renewal. You may also renew future franchise agreements if you are in compliance with such agreements and meet the other conditions for renewal by signing our then current franchise agreement. To renew, you must exercise a general release of all claims that you might have against us. Other terms, conditions, and fees may vary. If you wish to renew, you must notify us in writing at least 180 days before the expiration of this Agreement.

3. TERRITORY

The territory will be for a specific geographic region that we define by zip codes, natural, or political boundaries as set forth on Schedule 1 to the Franchise Agreement.

We may grant to you approval to open an additional outlet within your territory if we feel that the territory can support an additional outlet, you are performing strongly already, and we feel you have the time, energy, capital, and management structure to properly support an additional outlet. You must pay our current Additional Outlet Fee and a reduced Initial Training Fee to open another outlet in your territory.

To receive our approval to open an additional outlet in your territory, you must also generally meet the following criteria:

- you must have operated an outlet for a minimum of 12 months;
- you must be in compliance with Operations Manual;

-you must be within 10% of the financial projections in your business plan (or collecting 90% of maximum enrollment fees during the previous 3 months); and
-you must not have received 3 or more customer/staff/community complaints in the prior 12 months.

We may grant you additional franchise territories if you are performing strongly already, and we feel you have the time, energy, capital, and management structure to be able to successfully open and operate another territory.

In territories where we believe the population and other demographic factors permit, you may purchase an Option for the right to open one or two additional outlets in your territory, as we specify, for \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet. In order to exercise an Option to open a second outlet, the first outlet must be operational for a minimum of 9 months, you must obtain an approved location for the second outlet within 15 months from when the first outlet opened, and the second outlet must be open within 24 months from when the first outlet opened. In order to exercise an Option to open a third outlet in your territory, the second outlet in your territory must have been operational for at least 6 months, you must obtain an approved location for the third outlet within 12 months from when the second outlet opened, and the third outlet must be open within 21 months from when the second outlet opened.

If you exercise the Option Agreement, you must pay to us the balance of the initial franchise and initial training fees then in effect, as we will credit the \$20,000 paid against the then current initial franchise fee. You must pay a reduced Initial Training Fee of \$7,500 each time you open another outlet in your territory.

The Option Fee is non-refundable once paid. See the Option Agreement attached as Schedule 4.

You will receive an exclusive territory, meaning a geographic area within which we promise not to establish either a company-owned or franchised outlet selling the same or similar goods or services under the same or similar trademarks or service marks.

Continuation of your territorial rights does not depend on achieving a certain sales volume, market penetration, or other contingency. We do not reserve the right to modify your territorial rights, for example, if there is a population increase in your territory.

We or an affiliate reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to solicit or accept orders within your territory using our principal trademarks, however, we would normally direct inquiries for services from within your territory to your outlet.

We or an affiliate also reserves the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your territory of products or services under trademarks different from the ones that you will use under the franchise agreement.

We are not obligated to pay compensation to you for soliciting or accepting orders from inside your territory.

You and other franchisees may not solicit (but may accept) orders from consumers outside of your territory, including through the use of other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, but you may engage in internet and social media marketing pursuant to our guidelines which such marketing may extend outside your territory. We also reserve the right to implement cross-territorial protocols and other guidelines applicable to such situations as group advertising buys by multiple franchisees which may extend into multiple territories, solicitation of orders of individuals who may reside in one territory, yet work in another, and other cross-territorial situations. You agree to abide by any such cross-territorial protocols.

Neither we nor an affiliate operates, franchises, or has plans to operate or franchise a business under a different trademark which such business sells or will sell goods or services similar to those you will offer, but we reserve the right to do so.

4. FEES AND PAYMENTS

4.1 Initial Franchise and Training Fees. You agree to pay to us a \$49,500 initial franchise fee, a \$10,000 initial training fee, and purchase a Supply Package (of furniture, fixtures, and equipment) from us for \$42,000 - \$50,000, depending on your outlet size and layout.

In territories where we believe the population and other demographic factors permit, you may purchase an Option for the right to open one or two additional outlets in your territory, as we specify, for \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet.

4.2 Royalty Fee. You agree to pay to us a monthly Royalty Fee of 7% of Gross Revenues.

“Gross Revenues” is defined as all revenues that you derive or receive, directly or indirectly, from the operation of the Franchised Business, excluding only sales and use taxes.

4.3 Advertising Fees. You agree to the advertising fees and payments disclosed in Section 7 of this Franchise Agreement, below.

4.4 Music and Curriculum Development Fee. You agree to pay to our affiliate, Fiddlefox LLC, a \$20 per child per month fee for music and curriculum.

4.5 Open Door Montessori Fee. You must purchase and use an online training platform providing educational training in the Montessori Method from our affiliate Fiddlefox LLC d/b/a Open Door Montessori for \$149 per month.

4.6 Option Fee. In territories where we believe the population and other demographic factors permit, you may purchase an Option for the right to open one or two additional outlets in your territory, as we specify, for \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet.

In addition, you must pay a reduced Initial Training Fee of \$7,500 per each additional outlet opened in your Territory.

4.7 Additional Attendee Fee for Initial Training. One franchise owner and spouse may attend initial training at no charge. You agree to pay to us \$4,000 per person for any additional attendees.

4.8 Initial Training of Replacement Director, Music Director, or Curriculum Director Fee. You agree to pay us \$2,500 plus any expenses we incur if we come to you for training for the initial training of a Replacement Director, if we provide such training more than once per calendar year. You agree to pay to us \$1,000 plus any expenses we incur if we come to you for training to offer initial training to a replacement Music Director or Curriculum Director.

4.9 Special Field Assistance Fee. You agree to pay to us a fee of \$1,000 to \$2,000 per day, as we may establish, plus our expenses, if we must come to you to offer special field assistance that you need or request.

4.10 Additional Training and National Conference. If we offer refresher courses, seminars, workshops, or a National Conference we reserve the right to charge, and you agree to pay a registration fee which we set for the event (typically \$495 per person), plus any expenses we incur to provide this training. We normally only pass through our expenses for individualized on site programs.

4.11 Center Relocation Fee. You agree to pay \$7,500 to us per outlet before relocating if you relocate an outlet in your Territory.

4.12 Additional Outlet Fee. You agree to pay to us the following fees to open additional outlets in your Territory, which such payment is due to us at the time we agree to allow you to open an additional outlet:

Outlet # in Your Territory	Additional Outlet Fee
2	\$44,500
3	\$39,500

In addition, you must pay a reduced Initial Training Fee of \$7,500 per each additional outlet opened in your Territory.

4.13 Insurance Coverage Fee. If you fail to maintain insurance required by the franchise agreement, we may obtain the required insurance and charge you the cost of the insurance, interest on the monies we advance and our administrative costs.

4.14 Deficiencies Fee. If you do not satisfy your obligations under the franchise agreement, we may perform your obligations for you. You must reimburse us for our costs in performing your obligations.

4.15 Management Fee. You agree to pay to us \$3,500 per month for any period that we manage the Franchised Business for you.

4.16 Audit Fee. If we perform an audit of the Franchised Business and the audit discloses an under reporting of Gross Revenues or underpayment to us of 2% or more for the time period audited, you agree to pay to us our costs in performing the audit.

4.17 Declined Payment Fee. You agree to pay to us \$100 if an electronic transfer or other payment from you to us is declined.

4.18 Testing/ Inspection Fees to Approve a Supplier. You agree to pay to us \$100/hour plus any costs incurred if you request us to test and inspect a new supplier.

4.19 Transfer Fee. You agree to pay to us a Transfer Fee of \$7,500 if you wish to transfer ownership of the rights under this Franchise Agreement, or a majority of the ownership of this Agreement or in an entity holding this Agreement. We do not charge a transfer fee if the owners of this Agreement transfer this Agreement into an entity owned by the same owners with the same ownership percentages.

4.20 Renewal Fee. You agree to pay to us a Renewal Fee of 25% of our then-current Initial Franchise Fee to enter a new franchise agreement and continue your rights as a franchisee for an additional term.

4.21 Interest. You agree to pay to us interest of 1.8% per month, or the highest rate allowed by law, whichever is less, on any amounts owed to us that are more than 30 days past due.

4.22 Lat Fee. You agree to pay a late fee of \$50 for each past due payment, in addition to the interest disclosed above.

4.23 Client Refunds. If you do not resolve a client service complaint and we believe a reasonable basis exists for a refund to the client all or a portion of the client's fees, we may pay the client directly and bill you. You agree to pay the charges.

4.24 Sales, Excise or Gross Receipts Tax. If required by the federal government, state or locality in which your Franchised Business is located, the initial franchise fee, royalty, training, development fee, national marketing fee, products and possibly other services, products or fees may be subject to sales, excise, gross receipts or similar type tax, which you must pay to us at the same time and in the same manner as you pay these fees to us.

4.25 Assistance Fee in the Event of Death or Incapacity. In the event of your death or incapacity, you agree we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing operation of your Franchised Business, plus 10% of Gross Revenues for the period in which we operate or assist in the operation of the Franchised Business.

4.26 Sales, Income, and Other Taxes. You shall be solely responsible for paying all sales, income, and other taxes imposed upon you with respect to your operation of the Franchised Business. We do not charge royalty or national marketing fees on sales tax.

4.27 Fees to Third Parties. You agree to reimburse us for any third party charges we may incur on your behalf. You are solely responsible for all fees and expenses to third parties required to operate your Franchised Business.

4.28 Payment Period and Method. You agree to pay to us recurring fees by the 10th of the month incurred or accrued in the prior month. You must pay to us all other fees when incurred. We reserve the right to modify the payment methods and schedule in our Operations Manual.

Before you may open for business, you must sign and deliver to us all bank documents needed to permit us and our affiliate, Fiddlefox LLC, to debit your bank account via ACH Electronic Transfer for all fees and payments due to us or our affiliates. If you change your bank account or transfer your account to a different bank, you must notify us within one day, and sign and deliver to us and the bank new documents to permit us to debit your bank account within three days. We require you to execute an Automatic Bank Draft Authorization and pay most fees to us and our affiliate, Fiddlefox LLC, via ACH electronic funds transfer. We require you to execute an Automatic Bank Draft Authorization. See Schedule 2 to this Agreement.

5. OBLIGATIONS OF FRANCHISOR

5.1. Initial Training. We provide you with an initial training program, currently a three (3) week initial training course in Cambridge, Massachusetts or such other location as we designate, followed by two (2) weeks of on-site training at your location.

5.2 Site Selection and Build Out.

(a) Site Selection. We provide to you criteria to help you select a site. We must approve any site you select before you sign a lease for that location. We do not select the site. We will typically approve or disapprove a proposed site within 14 days of your submission to us of the information required by us on the proposed site.

If you do not locate a site of which we approve within 120 days of the date of the Franchise Agreement, we can terminate the Franchise Agreement without any refund to you, or allow you more time.

(b) Plans and Layout. We will furnish to you a sample site layout plan.

(c) Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement.

(d) Relocation Review. We will evaluate locations you propose to us to relocate your Franchised Business. We will typically approve or disapprove a relocation site within 14 days of your submission to us of the information required by us on the proposed site. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

5.3 Assistance to Hire and Train Employees. We offer assistance to recruit and train your Director, Music Director, Curriculum Director, and up to three teachers.

5.4 Assistance to obtain equipment, signs, fixtures, opening inventory, and supplies. We provide your furniture, fixtures, equipment, and curriculum and music supplies. We provide guidance to obtain signs through third party vendors. We make advertising templates available online. Otherwise, we provide the names of approved vendors or specifications for these items. We deliver the items that we provide but do not install them.

5.5 Operations Manual. We provide you access to our proprietary and confidential Operations Manual, as well as any other manuals and writings prepared by us for your use in operating a Franchised Business ("Manual"). We may disseminate the Manual electronically. We may revise the Manual from time to time to adjust for legal or technological changes, competition, or attempts to improve in the marketplace.

5.6 State Licensing. We will assist you with the process of obtaining the appropriate state daycare license.

5.7 Computer Hardware and Software. We specify computer hardware and software to assist in the operation of your Franchised Business.

5.8 Operational Support. We provide support to you in operational problems and issues that you may encounter in the operation of your Franchised Business.

5.9 Accounting Assistance. We provide a chart of accounts for you to use in your bookkeeping. You must provide to us your login information so we can access your accounts.

5.10 Additional Training or Seminars. We may elect to offer and require you to attend, either live or electronically, additional training or seminars that we may offer.

6. OBLIGATIONS OF FRANCHISEE

6.1 Training. You must successfully complete our initial training within four (4) months of the Effective Date of this Agreement and before you may operate the Franchised Business.

You consent, up to one time per month, to the following individuals in your franchise participating in on site or electronic, coaching sessions with a Business Culture Coach provided by us: You, Center Director, Music Director, Curriculum Director, and any additional staff we designate. The Business Culture Coach will provide ongoing support, leadership coaching, and community engagement. You do not pay for this coaching but must cover any costs you incur, such as employee salaries, for your employees to attend.

6.2 Site Selection and Build Out.

(a) Site Selection. You must select a site for operation of your Franchised Business pursuant to our guidelines. You agree to obtain our written approval for your proposed site. You may operate the Franchised Business only at the accepted site.

(b) Buildout. It is your responsibility to conform the premises to federal, state or local ordinances, building codes, licensing requirements and obtain any required permits.

(c) Plans and Layout. You are required to submit the layout and have it approved by us. We will typically approve or disapprove a proposed layout within 14 days of your submission to us. Once approved by us, it is your responsibility to remodel the premises and install the furniture, fixtures and equipment accordingly.

(d) Lease. Before you sign a lease, sublet a space, purchase space or make any binding to commitment to do so, we must approve, in writing your proposed lease or purchase agreement.

(e) Relocation Review. You must obtain our approval if you wish to relocate. We will evaluate locations you propose to us to relocate your Franchised Business. You must submit to us a site selection proposal containing reasonable items required by us to evaluate the site.

6.3 Starting Date. You agree to be operational within **8 months** of the Effective Date of this Agreement.

6.4 Operations Manual. You agree to operate the Franchised Business according to the then current Operations Manual, as well as information bulletins and guidance that we disseminate electronically.

6.5 Personal Participation.

You are required to participate personally in the direct operation of the Franchised Business. Unless you fulfill the role yourself, you must also hire a daycare Director and will need to hire teachers.

Any Director must also pass our initial training but is not required to have an equity interest in a franchisee which is an entity.

You and all of your employees, contractors, volunteers, and interns must pass a background record check.

All owners of this franchise must guarantee the obligations under the Franchise Agreement.

You agree to accurately and completely furnish to us the names, contact information, and ownership percent on anyone owning an interest in this franchise on the Signature Page to the Franchise Agreement. No change to the owners or ownership percentages are permitted without our prior written consent.

6.6 Authorized Products and Services Only. You may offer for sale through your franchised business only daycare services as specified by us and such products and services that we have approved in writing. We may designate products or services as optional or mandatory. You may not sell any goods or services that we have not authorized or approved.

You may offer daycare services to any customers.

You are required to sell all goods or services that we authorize, unless prohibited by your applicable local law, or approved by us. We may change the types of authorized goods and services sold by franchisees. There are no limits on our right to make changes to the authorized goods and services sold by franchisees, however, we may not fundamentally alter the nature of the franchise offered. We may, at our sole discretion, revoke approval of a previously approved goods or services, at which case you must immediately stop selling the revoked services or products.

For the duration of your franchise agreement, you may not offer competitive services in the states and territories of the United States unless you receive our prior written consent.

6.7 Client Service. You shall interact with prospective and actual clients in a professional and respectful businesslike manner and diligently fulfill your obligations to them when they engage your services.

6.8 Employee Training. You shall train your employees to competently and professionally carry out their duties and offer excellent customer service. You shall ensure that your employees have any training, licenses, or certifications required by applicable law, including necessary state teacher license(s). Since your employees will work with children, you must ensure that each employee hired satisfactorily passes a background record check. You are solely responsible for hiring, firing, compensating, paying applicable payroll taxes and day-to-day supervision and control over your employees.

6.9 Insurance. You are required to have insurance as may be required by your state laws and as we may specify in the Operations Manual. You must name us and all our officers, directors, members and agents and others as their interest may appear on a primary, noncontributory basis as an additional insured on these policies and send proof of same to us. Certificates of insurance must be sent in upon annual expiration date. If you suffer a loss to your franchise, such as fire or theft, you are required to use the insurance proceeds to replace or repair the premises or property damaged or lost.

6.10 Furniture, Fixtures, Equipment and Supplies. You agree to use furniture, fixtures, equipment, and supplies as we specify to operate the franchise.

6.11 Software and Computer Systems. You are required to purchase or use such software and computer systems to operate your Franchised Business as we may specify.

6.12 Telephone Number. You agree to maintain a dedicated telephone number for your Franchised Business.

6.13 Licensing. You must obtain a state daycare license and such other licenses as your state and local law may require.

6.14 Brand Image and Remodeling. You agree to keep your Franchised Business clean and well maintained in order to uphold the image and goodwill of our franchise system. You agree to remodel your Franchised Business if and when we request, at your cost, pursuant to our guidelines at the time. However, we promise not to require you to do a full remodel of your Franchised Business more than once every ten years.

You agree to conduct an annual touch up repainting, floor touch up/buffing, and full center reset per our guidelines each year.

6.15 Minimum Days and Hours. You agree to be open for business, at a minimum, the days and hours that we specify in the Operations Manual.

6.16 Laws and Regulations. You agree to comply with all federal, state, and local laws, and regulations. You agree to secure all necessary permits, certificates, licenses, and consents to operate your business.

7. ADVERTISING

7.1 Use of our Marks. We allow and require you to use our Marks to hold out your Franchised Business to the public. You agree to use only our Marks as we develop them for this purpose. Use of our Marks must be in accordance with our Operations Manual.

7.2 Local Advertising and Promotions. Your advertising and promotions shall conform to the following requirements:

- a) You shall advertise and promote only in a manner that will reflect favorably on us;
- b) You agree to participate in all promotional programs and that we create, offer or advertise.
- c) Your advertising must comply with federal, state, and local laws.
- d) You may spend such Local Advertising expenditures each month as you deem appropriate, pursuant to our guidelines to engage in local and online advertising to promote your Franchised Business.

7.3 Advertising Fee and Fund. You agree to contribute 1% of your Gross Revenues into our Advertising Program. Franchisor owned outlets do not have to contribute to the Advertising Fund, but may do so. We administer the Advertising Fund. The Fund is not audited. Unaudited financial statements of the Advertising Fund will be made available to you upon written request.

If not all Advertising Fund fees are spent in the fiscal year in which they accrue, we will carry over those fees and apply them to the next fiscal year.

We may use up to 10% of the Advertising Fund fees to solicit new franchise sales.

7.4 Our Obligation to Conduct Advertising. We use monies in the Advertising Fund to advise you in the conduct of advertising or conduct advertising ourselves using online, radio, television, direct mail, billboards, print or other advertising. We may use local, regional, or national advertising. We may produce advertising material in-house or through outside agencies. We are not required to spend any amount on advertising in the area or territory where you will be located.

Corporate Website. We will develop and maintain a comprehensive website that contains your location's contact information.

Digital Marketing. We may create, operate and promote websites, social media accounts (including but not limited to Facebook, twitter, and Instagram), applications, digital advertising (including pay-per-click and display ads) or other means of digital marketing to promote the brand, Franchised Business, marks and franchise opportunities. We have the sole right to control all aspects of any digital marketing including all digital marketing related to your Franchised Business. You will have the right to post to the Facebook account for your Franchised Business, manage customer questions, and take other actions pursuant to our guidelines through Editor access. We reserve the right to modify or delete postings or remove Editor access.

Digital Campaigns. We may negotiate contracts with vendors such as Google AdWords. If you choose to participate, you must pay your pro-rata share either directly to the vendor or reimburse us if we are paying the vendor.

Print Material. We or an approved vendor will make available to you templates for print material such as business cards, flyers, and brochures which you can complete and send to a local printer at your own cost.

7.5 Use of Your Own Advertising Material. You agree to use our advertising templates or, if you wish to use your own advertising materials, you may do so provided that you submit them to us and we approve them, in writing, and they adhere to federal, state and local law. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved.

Private Websites. You are not allowed to have an independent website or obtain or use any domain name (Internet address) for your Franchised Business, without first obtaining our written approval.

7.6 Entity Name Requirements. You may not use the words "Rock" or "Roll" or any confusingly similar words, as any part of the name of a corporation, LLC or other entity. However, "Rock and Roll Daycare" followed by your entity number, or such other designation as we shall specify, shall be your "doing business as" name for an entity which owns this franchise, sometimes also called your "assumed name," "trading as" name, or "fictitious name."

7.7 No Confusingly Similar Marks. You agree not to use any marks that could be confused with our Marks.

7.8 Update to our Marks. We may replace, modify, or add to our Marks. If we replace, modify, or add additional marks, you agree to update or replace your supplies, etc. to reflect the new marks, at your expense, in the time frame we provide at the time of such an update.

7.9 Publicity. Except as required by law, you may not make any press release or other public announcement respecting the subject matter of this Agreement without our written consent as to the form of such press release or public announcement.

7.10 Name and Likeness. You give us permission to use your name and likeness in all forms and media for advertising, trade, and any other lawful purposes.

8. CONFIDENTIALITY AND INTELLECTUAL PROPERTY RIGHTS

8.1 Definition. "Confidential Information" means our information or data (oral, written, electronic or otherwise), including, without limitation, a trade secret, that is valuable and not generally known or readily available to third parties obtained by you from us during the term of the Franchise Agreement. The Confidential Information of ours includes all intellectual property associated with our Franchise system, Customer Data, all other materials relating to our Franchise system that are not a matter of public record, and all information generated during the performance of the Franchise Agreement.

8.2 Confidentiality. You will not directly or indirectly disclose, publish, disseminate or use our Confidential Information except as authorized herein. You may use our Confidential Information to perform your obligations under this Agreement, but in doing so will only allow dissemination of our Confidential Information on a need-to-know basis and only to those individuals that have been informed of the proprietary and confidential nature of such Confidential Information.

8.3 Return of Information. Upon termination or expiration of this Agreement, you will return to us all of our Confidential Information embodied in tangible form, and will destroy, unless otherwise agreed, all other sources that contain or reflect any such Confidential Information. Notwithstanding the foregoing, you may retain Confidential Information as needed solely for legal, tax, and insurance purposes, but the information retained will remain subject at all times to the confidentiality restrictions of this Agreement.

8.4 Customer Data. We retain all right, title, and interest in and to the Customer Data during and after the term of this Agreement, provided that you use the Customer Data during the Term of this Agreement as permitted by this Agreement or our Manual, and in accordance with law. "Customer Data" means any and all information about Customers that may be collected in connection with their use of your franchise services, including, but not limited to, name, telephone number, address and email address.

8.5 Intellectual Property Ownership. We own the Franchise system and all intellectual property associated with it. To the extent you have or later obtain any intellectual property, other property rights, or interests in the Franchise system by operation of law or otherwise, you hereby disclaim such rights or interests and will promptly assign and transfer such entire interest exclusively to us. You will not undertake to obtain, copyright, trademark, service mark, trade secret, patent rights or other intellectual property right with respect to the Franchise system.

8.6 Suggestions. You agree that we may incorporate into our business operations any suggestions, enhancement requests, recommendations, or other feedback provided by you or anyone else and we shall have sole rights and title to such suggestions.

8.7 Performance Data. You agree that we may share performance data from your Franchised Business between our employees, franchisees and their employees. You agree to keep such performance data confidential.

9. REPORTS AND REVIEW

9.1 Reports. You must send us such reports in the time and manner we may specify in the Operations Manual. At present, you must send to us the following reports during the following time frames:

Name of Report	When Due
Weekly Key Performance Indicators	By the second work day in each week to report key performance indicators from the prior week
Monthly Gross Revenue Statement	By the 5 th business day of the month to report Gross Revenues earned in the prior month
Monthly Profit and Loss Statement	By the 20 th day of the month to report income and expenses incurred in the prior month
Annual Profit and Loss Statement	By February 28 of a given year to report income and expenses incurred in the prior year
Annual 3-Year Business Plan	By November 15 of each year as to the upcoming 3 years

9.2 Reviews. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to the Franchised Business and any other operations taking place through your Franchised Business. We have the right to conduct physical inspections of your franchised outlets at any time with no prior notice. This includes the right to inspect and copy all tax returns and bank statements that may show revenues from the Franchised Business. We also have the right to require that you implement a plan to resolve issues that we discern from any review we conduct.

9.3 Time Frame to Furnish Documents. If, as part of a review of your business operations, we request a copy of any business records related to the Franchised Business, you must send us at your expense these records within five (5) business days of receiving our request.

9.4 Independent Access to Information. You agree that we have and that you will provide independent access to the information that will be generated or stored in your computer systems, which includes, but not limited to, customer, transaction, and operational information. You must at all times give us unrestricted and independent electronic access to your computer systems and information. You must at all times give us access to your classroom camera system.

10. TERMINATION

10.1 Termination by You. You may terminate this Agreement by not renewing; that is by notifying us in writing of your desire to not renew at least 180 days prior to the expiration of this Agreement. If you terminate pursuant to this paragraph, you must still comply with all of the provisions of this Agreement that require performance post-termination.

10.2 Termination by Us. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

- a) If you do not pass our initial training in accordance with our passing standards;
- b) If you fail to obtain our approval of a site or open on time;
- c) If you become insolvent, meaning unable to pay your bills in the ordinary course as they become due;
- d) If you commit a material violation of any law, ordinance, rule, or regulation of a governmental agency or department reasonably associated with the operation of the Franchised Business or if you are convicted of, or plead guilty or no contest to a felony;
- e) If you abandon the Franchised Business or discontinue the active operation of the Franchised Business for three or more business days, except when active operation is not reasonably possible, such as because of a natural disaster;
- f) If you include a materially false representation or omission of fact in your Confidential Franchise Application to us;
- g) If you or your principals commit any fraud or misrepresentation in the operation of the Franchised Business;
- h) If you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure;
- i) You fail to pay suppliers an amount exceeding \$3,000 for more than 60 days;
- j) You fail to permit us to inspect or audit your franchise; or
- k) If you commit three or more breaches of this Agreement, the Operations Manual, or any other agreement with us, in any 12-month period regardless of whether such breaches were cured after notice.

10.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and an opportunity to cure within thirty (30) days, if:

- a) You violate any other term or condition of this Agreement, the Operations Manual, or any other agreement with us; or
- b) Any amount owing to us from you is more than 30 days past due.

10.4 No Refund of Initial Fee. We have no obligation to return or refund any fee to you upon termination of this Agreement.

11. POST TERMINATION OBLIGATIONS

If this Agreement expires, is not renewed, or is terminated for any reason by any party, including a sale of the Franchised Business, you must immediately:

- a) Stop identifying yourself as a franchisee of ours and discontinue using any of our Marks or any marks which are likely to be confused with our Marks;
- b) Deliver to us the original and all copies, both paper and electronic, of the business records of your Franchised Business (retaining only such copies as you need for legal or tax purposes);
- c) Pay to us all amounts owing to us;
- d) At our request, cancel or assign to us all telephone numbers under your ownership used in the Franchise Business;
- e) Reimburse customers for any fees paid for services not yet rendered;
- f) At our option, and upon our request, use your best efforts to assist in our taking over the lease of the location of your Franchised Business, whether it be through a new lease or assignment;
- g) At our option, offer to us the right to purchase your furniture, equipment, signage, fixtures, and supplies within 30 days of the date of termination for the adjusted book value, which is the undepreciated book value of the assets on your most recently filed federal tax return prior to the date of the termination or expiration;
- h) Deliver to us any paper and electronic copies of the Operations Manual and any Confidential Information;
- i) Cancel all fictitious name or other listings which you have filed for use of any of the Marks;
- j) Adhere to the provisions of the post-term covenants not to compete and not to solicit;
- k) Abide by any other covenant in this Agreement that requires performance by you after you are no longer a franchisee; and
- l) Execute, from time to time, any necessary papers, documents, and assurances to effectuate the intent of this Section 11.

12. NON-COMPETE AND NO SOLICITATION.

12.1 Non-Compete.

- a) **In-Term.** You will not, during the Term of this Agreement, in the United States or its Territories, directly or indirectly, offer daycare services.
- b) **Post-Term.** You will not, directly or indirectly, for a 2-year period after the termination, expiration, or non-renewal of this Agreement, including a sale of the franchise or your

interest in it, offer daycare services in the Territory or within 50 miles of the boundaries of the Territory.

12.2 Waiver of Bond. You agree that if we bring suit to enforce Sections 11 or 12.1 above, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

12.3 Severability. If any covenant or provision of Section 12.1 or 12.2 is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision. Further, these obligations are considered independent of any other provision in this Agreement and the existence of any claim or cause of action by either party to this Agreement against the other, whether based upon this agreement or otherwise, shall not constitute a defense to the enforcement of these obligations.

13. ADDITIONAL IN-TERM AND POST-TERM COVENANTS

13.1 Maintenance of Goodwill. You agree not to disparage us or our current and former employees, agents, members, or directors. During the term of this Agreement, you agree not to do any act harmful, prejudicial, or injurious to us.

13.2 Independent Contractor. You and we are independent contractors to each other. Neither you nor we is an agent, fiduciary, partner, employee, or a participant in a joint venture, and neither you nor we has the authority to hold out as such to third parties. You do not have any authority to bind or obligate us. We are not and will not be liable for any act, omission, debt, or other obligation of yours.

13.3 Indemnity. You are responsible for all loss or damage and for all contractual liability to third parties originating in or in connection with the operation of the Franchised Business and for all claims or demands for damage directly or indirectly related. You agree to defend, indemnify, and hold harmless us and our employees, officers, directors, and members with respect to any such claim, loss, or damage, including our costs and attorney fees.

14. TRANSFER

14.1 Assignment by Us. We may assign this Agreement to an assignee who agrees to remain bound by its terms. We do not permit a sub-license of the Agreement.

14.2 Transfer by You. You may transfer this Franchise Agreement, any interest under this Agreement, or substantially all the assets of the Franchised Business only if we approve, and you comply with the provisions in this Section 14. We shall not unreasonably withhold approval. If this Agreement is held by joint tenants or tenants in common, all joint tenants or tenants in common must join in any transfer of an ownership interest in this Agreement, except any person who is deceased or under a legal disability.

14.3 Transfer to a Controlled Entity. A "Controlled Entity" is an entity in which you are the beneficial owner of 100% of each class of voting ownership interest. A transfer to a Controlled

Entity shall not trigger the Right of First Refusal, described in Section 14.6 below. At the time of the desired transfer of interest to a Controlled Entity, you must notify us in writing of the name of the Controlled Entity and the name and address of each officer, director, shareholder, member, partner, or similar person and their respective ownership interest. We do not charge a transfer fee for this change.

14.4 Transfer within an Entity. A transfer of interest within an entity shall not trigger the Right of First Refusal described in Section 14.6 below if only the percentage ownership, rather than the identity of the owners, is changing. Prior to the time of the desired transfer of interest within an entity, you must notify us in writing of the name and address of each officer, director, shareholder, member, partner or similar person and their respective ownership interest. Each such person of the Controlled Entity shall sign the then current amendment and release forms and/or Franchise Agreement as required by us, and you shall pay to us the applicable transfer fee specified in Section 4 above.

14.5 Conditions for Approval of Transfer. We may condition our approval of any proposed sale or transfer of the franchised business or of your interest in this Agreement upon satisfaction of the following occurrences:

14.5.1 You are current in all monetary obligations to us, our affiliates, and our designated/approved suppliers and vendors;

14.5.2 You are in full compliance with this Agreement;

14.5.3 You execute any transfer, amendment, or release forms that we may require;

14.5.4 You or the transferee will provide to us a copy of the proposed documents as we may request to evidence the transfer;

For a transfer under Section 14.2 above, the following conditions also apply:

14.5.5 The transferee must be approved by us and demonstrate to our satisfaction that s/he meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement;

14.5.6 The transferee must execute our then-current Franchise Agreement;

14.5.7 You or the transferee must pay to us the Transfer Fee specified in Section 4 above;

14.5.8 The transferee must satisfactorily complete our initial training program at the transferee's expense within the time frame we establish;

14.5.9 You must comply with the post-termination provisions of this Agreement;

14.5.10 The transferee must obtain within the time limits set by us and maintain thereafter, all permits and licenses required for operation of the Franchised Business;

14.5.11 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

14.5.12 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

14.5.13 The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation and performance under its franchise agreement;

14.5.14 You must request that we provide the prospective transferee with our current franchise disclosure document;

14.5.15 Our approval of the transfer will not constitute a waiver of any claims we may have against the transferring party;

14.5.16 We will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning the Franchised Business as you have supplied us hereunder; and

14.5.17 In any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise.

14.6 Right of First Refusal. If you have received and desire to accept a signed, bona fide offer to purchase or otherwise transfer the Franchise Agreement, any interest in it, or substantially all the assets of the Franchised Business, you shall grant us the option (the "Right of First Refusal") to purchase the Franchised Business as provided here:

- a) Within fourteen (14) days of receipt of the offer, you shall offer the Right of First Refusal to us by notice in writing, including a copy of the signed offer to purchase which you received ("Notice"). We shall have the right to purchase the Franchised Business or interest in the Franchised Business at and for the price and upon the terms set out in the Notice, except that we may substitute cash for any non-cash form of payment proposed and we shall have 60 days after the exercise of our Right of First Refusal to close the said purchase. Should we wish to exercise our Right of First Refusal, we will notify you in writing within 15 days from its receipt of the Notice. Upon the giving of such notice by us, there shall immediately arise between us and you, or its owners, a binding contract of purchase and sale at the price and upon the terms contained in the Notice.
- b) If we do not exercise our Rights of First Refusal, you may transfer the Franchised Business or ownership interest therein according to the terms set forth in the Notice, provided that you satisfy the conditions in Section 14.5 above and complete the sale within 90 days from the day on which we received the Notice. If you do not conclude the proposed sale transaction

within the 90-day period, the Right of First Refusal granted to us shall continue in full force and effect.

15. DEATH OR INCAPACITY

In the event of your death or incapacity, you, or your estate, as the case may be, must actively begin the process to seek a transfer of your rights under this Agreement within 60 days and must complete the transfer within 6 months of your death or incapacity. If you or your estate fails in either respect, then we may terminate this Agreement. The new Franchisee must pay the transfer fee specified above, meet our qualifications, complete initial training, and enter into a new Franchise Agreement. And we are entitled to reimbursement from you or your estate for any reasonable expenses incurred continuing Services from the date of your death or incapacity until transfer or termination, plus 10% of Gross Revenues for the period in which we operate or assist in the operation of the Franchised Business. The term "incapacity" means a condition that prevents you from reasonably carrying out your duties under this Agreement.

16. MODIFICATION

No modifications to this Agreement will have any effect unless such modification is in writing and signed by you and by our authorized officer. We may, however, modify the provisions of the Manual, without your consent, as discussed in Section 5.

17. NON-WAIVER OF BREACH

The failure of either party to enforce any one or more of the terms or conditions of this Agreement shall not be deemed a waiver of such terms or conditions or of either party's rights thereafter to enforce each and every term and condition of this Agreement.

18. FULL UNDERSTANDING

This Agreement, including the schedules, is the entire agreement between the parties. This Agreement supersedes all other prior oral and written agreements and understandings between you and us with respect to the subject matter of this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document we furnished to you.

19. GOVERNING LAW

19.1 Choice of Law. This Agreement is effective upon its acceptance in Massachusetts by our authorized officer. Except as to claims governed by federal law, Massachusetts law governs all claims that in any way relates to or arises out of this Agreement or any of the dealings of the parties ("Claims"). However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph.

19.2 Jurisdiction and Venue. You and we agree that venue and jurisdiction for any Claims shall be proper solely in the state and federal court nearest to our corporate headquarters, presently located in Cambridge, Massachusetts.

19.3 Jury Waiver. In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

19.4 Class Action Waiver. You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

19.5 Punitive Damages Waiver. As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

19.6 Limitation of Actions. You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

19.7 Prior Notice of Claims. As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

19.8 Internal Dispute Resolution. You must first bring any Claim to our CEO, after providing notice as set forth in Section 19.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

19.9 Mediation. Before you may bring any Claim against us in court, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we can not mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("AAA"), and split any AAA and mediator fees equally.

19.10 Waiver of bond. You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

19.11 Attorney Fees. If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

19.12 Third Party Beneficiaries. Our officers, directors, members, shareholders, agents, and employees are express third party beneficiaries of the terms of the Governing Law provisions contained herein.

19.13 Survival. All of the covenants contained in this Agreement that may require performance after the termination or expirations of this Agreement will survive any termination or expiration of this Agreement.

19.14 Severability Clause. If any covenant or provision in this Agreement is determined to be void or unenforceable, in whole or in part, it shall be deemed severed and removed from this Agreement and shall not affect or impair the validity of any other covenant or provision of this Agreement.

20. RELEASE OF PRIOR CLAIMS

By executing this Agreement, the undersigned entity, if any, and individuals, on behalf of yourselves and your heirs, legal representatives, successors and assigns, and each assignee of this Agreement, forever releases and discharges us, our past and present employees, agents, members, area developers, officers, and directors, including any of our parent, subsidiary and affiliated entities, their respective past and present employees, agents, members, officers, and directors, from any and all claims relating to or arising out of any franchise agreement between the parties executed prior to the date of this Agreement, and all other claims relating to any dealings between any of the parties. However, this release does not apply to any claim you may have arising from representations in our Franchise Disclosure Document, or its exhibits or amendments.

21. NOTICES

You shall give any required notice or request in writing by mail or courier, postage fully prepaid, delivered personally, or by facsimile, to our CEO, at our corporate office, presently 580 Cambridge Street, Cambridge, MA 02141. Telephone: (857) 312-3701. We may also give any such notice to you in the same manner at the address indicated below your signature on this Agreement, such other more current address as we may have for you, or by e-mail.

22. ACKNOWLEDGMENTS

You acknowledge that you have read our Franchise Disclosure Document and this Agreement and that you are familiar with their contents. You acknowledge that you have independently investigated the business offered hereunder and base your decision to purchase solely on such investigation. You acknowledge that we have recommended, and that you have had the opportunity to obtain, review of this Agreement and our Franchise Disclosure Document ("FDD") by your lawyer, accountant or other business advisor prior to execution. Except as may be stated in Item 19 of our Franchise Disclosure Document, you acknowledge that no person is authorized to make and no person has made any representations to you as to the actual, projected or potential sales, volumes, revenues, profits or success of our franchise. You further acknowledge and agree that you are not a third party beneficiary to any agreement between us and any other franchisee.

23. GUARANTY

The Franchisee named at the top of the following page agrees to abide by the terms of this Agreement. The signature of an individual or individuals as sole proprietors, joint tenants, or tenants in common constitutes their personal agreement to such terms. The signature of an individual or individuals on behalf of an entity constitutes the entity's agreement to such terms.

In addition, the signatures of all individuals below, in any capacity, also constitute their personal joint and several agreement to perform all the obligations in and relating to this Agreement, including, but not limited to, the obligations stated in **Paragraphs 11-13 above**, the obligation to make specified

payments, and pay any other debts due to us. All Signators below waive any right to presentment, demand, notice of non-performance, or the right to require us to proceed against the other Signators.

Franchisee: _____ Entity Number: _____

Type: _____ (Sole Proprietor, LLC, Corp., Joint Tenants with Right of Survivorship ("JTROS"), Tenants in Common, Partnership).*

SIGNATORS:

By: _____ By: _____
(Signature) (Signature)

(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

By: _____ By: _____
(Signature) (Signature)

(Printed Name) (Printed Name)

Title: _____ Title: _____

Address: _____ Address: _____

Ownership Percent: _____ % (see note below) Ownership Percent: _____ % (see note below)

Rock and Roll Daycare Franchising, LLC

By: _____ Effective Date: _____
Christopher Vuk, CEO

***Joint Tenants with Right of Survivorship is typically for married couples and must be owned equally by each tenant, 50-50 for two owners, and if one spouse passes away, the other automatically receives the decedent's share. Tenants in common is normally for non-spouses and if one passes away, his or her share passes by will or state law to his or her heirs.**

**SCHEDULE 1 TO THE FRANCHISE AGREEMENT
TERRITORY**

Your Territory shall be as follows:

SCHEDULE 2 TO THE FRANCHISE AGREEMENT

AUTOMATIC BANK DRAFT AUTHORIZATION

ACH Origination Authorization

Please complete the following with your banking information and attach a voided check:

Company Name: _____

Name of Financial Institution: _____

Address of Financial Institution: _____

Routing Number: _____

Account Number: _____

I hereby authorize Rock and Roll Daycare Franchising, LLC and the financial institution named above to initiate entries to my checking or savings accounts as identified above in accordance with the terms of my franchise agreement and, if necessary, to initiate adjustments for any transactions credited in error. This authority will remain in effect until I notify either Rock and Roll Daycare Franchising, LLC or the above-named financial institution in writing to cancel it in such time as to afford a reasonable opportunity to act on such instructions. I can stop payment of any entry by notifying the above-named financial institution at least 3 days before my account is scheduled to be charged. I can have the amount of an erroneous charge immediately credited to my account for up to 15 days following issuance of my statement by the above-referenced financial institution or up to 60 days after deposit, whichever occurs first.

Signature: _____

Printed Name of Person Signing: _____

Title (if any): _____

Application Date: _____

Telephone Number: _____

Applicant's Address: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT

LEASE RIDER

Landlord: _____
Notice Address: _____

Telephone: _____

Franchisor: Rock and Roll Daycare Franchising,
LLC
Notice Address: 580 Cambridge Street;
Cambridge, MA 02141
Telephone: (857) 312-3701

Tenant: _____

Leased Premises: _____

1. Use. Tenant is a franchisee of Franchisor. The Leased Premises shall be used only for the operation of a Rock and Roll Daycare (or any name authorized by Franchisor).

2. Notice of Default and Opportunity To Cure. Landlord shall provide Franchisor with copies of any written notice of default ("Default") given to Tenant under the Lease, and Landlord grants to Franchisor the option (but not the obligation) to cure any Default under the Lease (should Tenant fail to do so) within 10 days after the expiration of the period in which Tenant may cure the Default.

3. Termination of Lease. Landlord shall copy Franchisor on any notice of termination of the Lease. If Landlord terminates the Lease for Tenant's Default, Franchisor shall have the option to enter into a new Lease with Landlord on the same terms and conditions as the terminated Lease, subject to Landlord's approval in its reasonable discretion. To exercise this option, Franchisor must notify Landlord within 10 days after Franchisor receives notice of the termination of the Lease.

4. Termination of Franchise Agreement. If the Franchise Agreement between Franchisor and Tenant is terminated during the term of the Lease, then upon the written request of Franchisor, Tenant shall assign the Lease to Franchisor, provided that any such proposed assignment shall be subject to Landlord's approval in its reasonable discretion and must be exercised within 10 days after termination of the Franchise Agreement.

5. Assignment and Subletting. Notwithstanding any provision of the Lease to the contrary, Tenant shall have the right to assign or sublet the Lease to Franchisor, provided that no such assignment or sublease shall relieve Tenant or any guarantor of liability under the Lease. If Franchisor becomes the lessee of the Lease Premises, then Franchisor shall have the right to assign or sublease its lease to a franchisee of the Rock and Roll Daycare brand, subject to Landlord's approval in its reasonable discretion.

6. Authorization. Tenant authorizes Landlord and Franchisor to communicate directly with each other about Tenant and Tenant's business.

7. Right to Enter. Upon the expiration or termination the Franchise Agreement or the Lease, or the termination of Tenant's right of possession of the Leased Premises, Franchisor or its designee may, after giving reasonable prior notice to Landlord, enter the Leased Premises within 10 days of such expiration or termination, to remove signs and other material bearing Franchisor's brand name, trademarks, and commercial symbols, provided that Franchisor will be liable to Landlord for any damage Franchisor or its designee causes by such removal.

8. No Liability. By executing this Rider, Franchisor does not assume any liability with respect to the Lease Premises or any obligation as Tenant under the Lease.

Executed by:

LANDLORD:

By: _____

Name: _____

Title: _____

TENANT:

By: _____

Name: _____

Title: _____

FRANCHISOR:

Rock and Roll Daycare Franchising, LLC

By: _____

Christopher Vuk, CEO

Date: _____

SCHEDULE 4 OPTION AGREEMENT

This Option Agreement is entered into as of the Effective Date entered below between the below named Franchisee ("Franchisee") and Rock and Roll Daycare Franchising LLC ("Franchisor").

WHEREAS Franchisee is acquiring one or more franchise territories;

WHEREAS Franchisee desires to secure the right for a period of five (5) years to enter into one or more additional Franchisor franchise territories;

WHEREAS Franchisor desires to grant to Franchisee an option to open either one (1) or two (2) additional outlets in Franchisee's territory, as the parties may agree, based upon Franchisor's specifications, upon the terms and condition set forth below;

NOW THEREFORE, in consideration of the mutual promises and undertakings herein, the parties agree as follows:

1. Grant of Option

Franchisor hereby grants to Franchisee the exclusive option to open either one (1) or two (2) additional outlets in Franchisee's territory, as indicated below:

☐ one (1) (Territory B)

☐ two (2) (Territory C)

2. Terms and Conditions

You agree to pay to us an Option Fee of \$20,000 per outlet, against an additional Outlet Fee of \$44,500 for a second outlet and \$39,500 for a third outlet. In order to exercise an Option to open a second outlet, the first outlet must be operational for a minimum of 9 months, you must obtain an approved location for the second outlet within 15 months from when the first outlet opened, and the second outlet must be open within 24 months from when the first outlet opened. In order to exercise an Option to open a third outlet in your territory, the second outlet in your territory must have been operational for at least 6 months, you must obtain an approved location for the third outlet within 12 months from when the second outlet opened, and the third outlet must be open within 21 months from when the second outlet opened.

If you exercise the Option Agreement, you must pay to us the balance of the initial franchise and initial training fees then in effect, as we will credit the \$20,000 paid against the then current initial franchise fee. You must pay a reduced Initial Training Fee of \$7,500 each time you open another outlet in your territory.

The Option Fee is non-refundable once paid.

3. Assignment

Franchisee may not assign any of its rights under this Option Agreement to another person or entity. Franchisor may assign its rights under this Option Agreement to a third party who agrees to remain bound to the terms of this Option Agreement.

4. Miscellaneous

- a. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof, and no prior or contemporaneous written or oral agreement or understanding pertaining to any such matter shall be effective for any purpose. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto.
- b. Time of Essence. Time is of the essence of this Agreement.
- c. Binding Effect. The provisions of this Option Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.
- d. No Waiver. No waiver of any of the provisions of this Option Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- e. Further Acts. Each party shall, at the request of the other, execute, acknowledge (if appropriate) and deliver whatever additional documents, and do such other acts, as may be reasonably required in order to accomplish the intent and purposes of this Option Agreement.
- f. Amendments. This Option Agreement may not be changed or modified except by an instrument in writing executed by the party asserted to be bound thereby.
- g. Governing Law. This Option Agreement shall be subject to the Governing Law and Dispute Resolution provisions in the most recent Franchise Agreement between the parties.

Franchisee:

Franchisor:

Rock and Roll Daycare Franchising, LLC

By: _____
Signature

By: _____
Christopher Vuk, CEO

Printed Name: _____

Effective Date: _____

Title: _____

SCHEDULE 5 SBA ADDENDUM



ADDENDUM TO FRANCHISE

AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20____, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____ (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee, Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

¹ While relationships established under license, jobber, dealer, and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

COVENANTS

- If the Franchisee owns the real estate where the franchisee location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee, not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 - 3733.

Authorized Representative of FRANCHISOR :

By: _____

Print Name: _____

Title: _____

Authorized Representative of FRANCHISEE :

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements.

SCHEDULE 6
STATE ADDENDA TO THE FRANCHISE AGREEMENT

**CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Sections 10.2 and 10.3 are deleted and in their place are substituted the following:

10.2 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 10.3 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

10.3 Termination by Us with Opportunity to Cure. We may terminate this Agreement, after sending you notice and a 60 day opportunity to cure, for any other breach of this Agreement.

FRANCHISEE:

FRANCHISOR:

Rock and Roll Daycare Franchising, LLC

By: _____

By: _____
Christopher Vuk, President

By: _____

Date: _____

**ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

FRANCHISEE:

By: _____

By: _____

FRANCHISOR:

Rock and Roll Daycare Franchising, LLC

By: _____
Christopher Vuk, President

Date: _____

**MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT**

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
 2. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
 3. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
 4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
- 2.

FRANCHISEE:

FRANCHISOR:

Rock and Roll Daycare Franchising, LLC

By: _____

By: _____
Christopher Vuk, President

By: _____

Date: _____

MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

FRANCHISEE:

By: _____

By: _____

FRANCHISOR:

Rock and Roll Daycare Franchising, LLC

By: _____

Christopher Vuk, President

Date: _____

**EXHIBIT D
RELEASE**

THIS RELEASE is made and given by _____,
("Releasor") with reference to the following facts:

1. Releasor and Rock and Roll Daycare Franchising, LLC (Releasee) are parties to one or more franchise agreements.
2. The following consideration is given:

_____ the execution by Releasor of a successor Franchise Agreement or other renewal documents renewing the franchise (the "Franchise"); or

_____ Releasor's consent to Releasee's transfer of its rights and duties under the Franchise Agreement; or

_____ Releasor's consent to Releasee's assumption of rights and duties under the Franchise Agreement; or

_____ [insert description]

3. Release- Franchisee and all of Franchisee's guarantors, members, employees, agents, successors, assigns and affiliates fully and finally release and forever discharge Releasee, its past and present agents, employees, officers, directors, members, Franchisees, successors, assigns and affiliates (collectively "Released Parties") from any and all claims, actions, causes of action, contractual rights, demands, damages, costs, loss of services, expenses and compensation which Franchisee could assert against Released Parties or any of them up through and including the date of this Release.
4. THIS IS A SPECIFIC RELEASE GIVING UP ALL RIGHTS WITH RESPECT TO THE TRANSACTIONS OR OCCURRENCES THAT ARE BEING RELEASED UNDER THIS AGREEMENT.
5. California Releasor- You represent and warrant that YOU EXPRESSLY WAIVE ANY AND ALL RIGHTS AND BENEFITS UNDER CALIFORNIA CIVIL CODE §1542, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

6. The above Release shall not apply to any liabilities arising under the California Franchise Investment Law, the California Franchise Relations Act, Indiana Code § 23-2-2.5.1 through 23-2-2.7-7, the Maryland Franchise Registration and Disclosure Law, Michigan Franchise Investment Law, Minnesota Franchise Act, North Dakota franchise laws, the Rhode Island

Investment Act, and the Washington Franchise Investment Protection Act.

Franchisee:

Rock and Roll Daycare Franchising, LLC

By: _____

By: _____

Christopher Vuk, CEO

Printed Name: _____

Date: _____

Title: _____

EXHIBIT E

CURRENT FRANCHISEES

The following is a list of the names of all Franchisees and the address and telephone number of each of their outlets as of the end of our most recently completed fiscal year.

Operational Outlets:

None

Franchise Agreement Signed But Outlet Not Yet Open (as of 12/31/2018)

None

EXHIBIT F

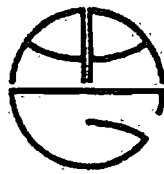
FORMER FRANCHISEES

The following is a list of Franchisees who had an outlet terminated, cancelled, not renewed or otherwise ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who had not communicated with us within ten weeks of the date of the disclosure document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None

EXHIBIT G

Financial Statements



A. ANDREW GLANIODIS

CERTIFIED PUBLIC ACCOUNTANT

ROCK AND ROLL DAYCARE FRANCHISING, LLC

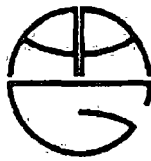
OCTOBER 30, 2019

FINANCIAL STATEMENTS

ROCK AND ROLL DAYCARE FRANCHISING, LLC

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STATEMENT OF OPERATIONS	3
STATEMENT OF CHANGES IN MEMBER'S EQUITY	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 7



A. ANDREW GLIANIODIS
CERTIFIED PUBLIC ACCOUNTANT

October 30, 2019

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
Rock and Roll Daycare Franchising, LLC:

REPORT ON FINANCIAL STATEMENTS

I have audited the accompanying balance sheet of Rock and Roll Daycare Franchising, LLC (a limited liability company) as of October 30, 2019 and the related statements of operations, changes in owner's equity and cash flows for the period August 29 through October 30, 2019. These financial statements are the responsibility of the Company's management.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with generally accepted auditing standards as accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I express no such opinion.

An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rock and Roll Daycare Franchising, LLC (a limited liability company) as of October 30, 2019 and the related statements of operations, changes in owner's equity and cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "A. Andrew Gianiodis" followed by "CPA".

A. Andrew Gianiodis

Certified Public Accountant

Rock and Roll Daycare Franchising, LLC

Balance Sheet October 30, 2019

ASSETS

Current Assets	
Cash	\$ 25,290
Subscription Receivable	-
Total Current Assets	<u>25,290</u>
Other Assets	<u>-</u>
TOTAL ASSETS	<u>\$ 25,290</u>

LIABILITIES & EQUITY

Current Liabilities	
Due to Affiliates	\$ <u>-</u>
Total Liabilities	<u>-</u>
Members' Equity	<u>25,290</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 25,290</u>

See accompanying notes

Rock and Roll Daycare Franchising, LLC

Statement of Changes in Member's Equity Period August 29 through October 30, 2019

	Total Equity
Equity at August 29, 2019	\$ -
Capital Contribution	25,500
Net Loss	<u>(210)</u>
Equity October 30, 2019	<u>\$ 25,290</u>

See accompanying notes

Rock and Roll Daycare Franchising, LLC

Statement of Operations

Period August 29 through October 30, 2019

Revenues

Franchise fees	\$	-
Other revenue		-
Total revenue		<u>-</u>

Expenses

Bank charges		-
Office expenses		<u>210</u>
Total expenses		<u>210</u>

Operating Loss (210)

Income taxes		-
Interest income		<u>-</u>

Net Loss \$ (210)

See accompanying notes

Rock and Roll Daycare Franchising, LLC

Statement of Cash Flows Period August 29 through October 30, 2019

Cash flows from operating activities:

Net Loss	\$ (210)
----------	----------

Adjustments to reconcile net loss to net cash provided by operating activities:

Depreciation & amortization	-
-----------------------------	---

Changes in assets and liabilities

Current assets	-
----------------	---

Current liabilities	-
---------------------	---

Net cash provided by operating activities	(210)
---	-------

Cash flows from investing activities:

Net cash provided by investing activities	-
---	---

Cash flows from financing activities:

Capital infusion	25,500
------------------	--------

Owner draws	-
-------------	---

Net cash provided by investing activities	25,500
---	--------

Net change in cash	25,290
--------------------	--------

Cash - beginning of period	-
----------------------------	---

Cash - end of period	\$ 25,290
----------------------	-----------

Supplemental Disclosures

Interest Paid	-
---------------	---

Income Taxes Paid	-
-------------------	---

See accompanying notes

ROCK AND ROLL DAYCARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF BUSINESS

The Company was incorporated under the laws of the Commonwealth of Massachusetts for the purpose of offering franchise opportunities to entrepreneurs who want to own their own Rock and Roll Daycare operation, as a franchise.

BASIS OF PRESENTATION

The financial statements are presented on the accrual basis of accounting.

REVENUE RECOGNITION

Initial franchise fees will be recorded as income when the company provides substantially all the initial services agreed upon in the franchise agreement or when the franchise has commenced operations, whichever comes first. If the fee is received over a period of time and the Company has no reasonable basis for estimating the collectability of the fee, the Company will use the installment method of recognition of the initial fee as revenue.

Monthly royalty fees will be recognized when paid by the franchisee.

COMPANY INCOME TAXES

The Company is an LLC; as such, the Company will not be responsible for income taxes on the company level. Instead, its taxable income will be included on the owner's personal tax returns.

NOTE 2 DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company estimates that the fair value of all financial instruments at October 30, 2019, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

ROCK AND ROLL DAYCARE FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 3 COMMITMENTS AND CONTINGENCIES

The Company does not carry general liability or worker's compensation coverage, nor is it self-insured.

NOTE 4 FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

- A. The Company will grant the right to use the Company name, trademark and system in the franchisee's franchise development business.
- B. The franchisee is obligated to pay a non-refundable initial franchise fee.
- C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.

NOTE 5 SUBSEQUENT EVENTS

There were no subsequent events noted through October 30, 2019, the date that the financial statements were available to be issued.

EXHIBIT H

Franchise Operations Manual

Preface for Manual (11 pages)

The Manual Organization

The Purpose of this Manual

The Importance of Confidentiality

Keeping the Rock and Roll Daycare Operations Manual Current

Submitting Suggestions to the Franchisor

Manual Disclaimer

A. INTRODUCTION (14 pages)

Welcome Letter (A-1)

Core Values of Rock and Roll Daycare (A-2)

History of Rock and Roll Daycare (A-3)

Services Provided to the Rock and Roll Daycare Franchisee (A-4)

Responsibilities of the Rock and Roll Daycare Franchisee and Staff (A-7)

Visits from the Corporate Office (A-9)

Paying Required Fees (A-12)

PRE-OPENING PROCEDURES (40 pages)

Introduction (B-1)

Pre-Opening Timeline and Checklist (B-2)

Establishment of Business Form and Identity (B-5)

Site Selection Process (B-7)

Site Criteria

Gaining Site Acceptance

Lease Considerations

Gaining Lease Acceptance

Setting Up Your Learning Center (B-10)

- Architectural Rendering**
- Sample Layouts/Space Plan/Creating a Floorplan**
- Build-Out Timeline**
- Décor/Design Specifications**
- Setting Up the Rooms**

Technology Requirements (B-18)

- Hardware Requirements**
- Software Requirements**

Required List of Equipment (B-20)

Initial Inventory (B-22)

Signage Specifications (B-25)

Logo Specifications (B-27)

Contracting with Required Utilities and Services (B-28)

Understanding and Obtaining Your Required Licenses and Permits (B-29)

Setting-Up Bank Accounts (B-30)

Procuring Required Insurance Policies (B-31)

Hiring Initial Staff (B-32)

Paying Taxes (B-35)

Preparing for Your Grand Opening (B-38)

C. HUMAN RESOURCES (48 pages)

Introduction (C-1)

EEOC Guidelines in Hiring Employees (C-2)

Wage and Labor Laws (C-5)

Job Descriptions of the Rock and Roll Daycare Employees (C-8)

- Director
- Assistant Director
- Education Director
- Music Director
- Compliance Officer
- Lead Teacher
- Teacher
- Assistant Teacher

Recruiting Employees (C-15)

- Profile of Rock and Roll Daycare Instructors
- Getting the Word Out
- Gathering Applications/Resumes
- The Interview Process
- Interview Questions
- Work Trial
- Testing Procedures
- Reference-Check Procedures

Orientating New Employees (C-22)

- Completing New Hire Paperwork
- Onboarding New Employees

Hiring on a Trial Period (C-24)

Training Employees (C-25)

- Initial Training of New Employees (for each position)
- Ongoing Training Process (for each position)

Maintaining Personnel Files (C-30)

Personnel Policies/Use of Employee Handbook (C-31)

Time-Tracking Procedures (C-36)

Compensation Guidelines/Bonus System (C-37)

C. Human Resources (continued)

Uniform and Dress Code (C-38)

Conducting Performance Evaluations (C-39)

Performance and Success Guidelines
Evaluation Forms

Progressive Discipline Procedures (C-42)

Coaching Employees
Employee Behavior Corrective Action

Separation/Termination Procedures (C-45)

Conducting Exit Interviews
Use of Separation Checklist
Off-Boarding Procedures

D. ENROLLMENT PROCEDURES (36 pages)

Introduction (D-1)

Rock and Roll Daycare Offerings (D-2)

Ages and Stages
Classes
Camps

Understanding Your Competition (D-4)

Researching Your Competition
Performing a Competitive Analysis

Initial Contact (D-7)

Handling Phone Inquiries
Handling Walk-Ins

Role of Tours (D-10)

Inviting for Tour
Scheduling the Tour
Conducting an Effective Tour
Use of Tour Notes

D. Enrollment Procedures (continued)

The Rock and Roll Daycare Sales Presentation (D-17)

- Key Points
- Presenting the Tuition Cost
- Overcoming Typical Objections
- Closing Procedures
- Use of the Prospective Parent Packet

Explaining Steps to Enrollment (D-25)

The Wait List (D-27)

- Explaining the Wait List
- Administering the Wait List
- Communicating with People on the Wait List

Tracking Sales Efforts (D-29)

- Database Management/Use of BumblebeeHQ.com
- Use of the TADS Enrollment Platform
- Tracking the Source of Leads
- Tracking Effectiveness of Sales Effort

E. MANAGING A ROCK AND ROLL DAYCARE BUSINESS (39 pages)

Introduction (E-1)

Managing Quality Assurance (E-2)

- Program Goals
- Use of the Communication and Daily Operations Log
- Communicating with Students
- Communicating with Parents
- Student Retention Techniques
- Parent Management Techniques
- Role Parent Conferences, Committees, and Events

Managing the Physical Environment (E-11)

- Lighting and Music
- Organization of Common Spaces
- Organization of Outdoor Space
- Cleaning and Maintenance Procedures and Timeline

E. Managing a Rock and Roll Daycare Business (continued)

Managing Staff (E-14)

- Communicating with Staff
- Hosting Staff Meetings
- Monitoring Compliance
- Scheduling Staff

Financial Management (E-21)

- Generating Necessary Reports
- Analyzing Reports
- Understanding Your KPIs
- Use of Tadpoles System
- Tracking and Recording Expenses
- Use of the Leader Bank

Inventory Management (E-30)

- Ordering Procedures
- Ordering from Approved Suppliers
- Receiving Procedures
- Tracking Inventory Usage and Waste

Franchise Reporting Requirements (E-35)

- Royalty Payment
- Advertising Contributions
- Required Weekly Reports
- Financial Statements

ADMINISTRATIVE PROCEDURES (55 pages)

Introduction (F-1)

Hours of Operation (F-2)

Handling Pick-Up and Drop-Off Times (F-3)

Facility Opening and Closing Procedures (F-6)

- Opening Task Checklists
- Closing Task Checklists

Weekly Routines and Tasks (F-11)

Monthly Routines and Tasks (F-14)

F. Administrative Procedures (continued)

Customer Service Procedures (F-16)

- Customer Service Philosophy
- Customer Service Procedures
- Building Customer Loyalty
- Gauging Customer Satisfaction
- Handling Student/Parent Complaints/Grievances
- Providing Child Development Reports

Enrolling New Students (F-26)

- Communicating Rock and Roll Daycare Policies
- Entering Student into the Rock and Roll Daycare Database
- Required Forms
- Collecting Payment
- Onboarding New Families
- Role of the Parent Handbook

Invoicing Procedures (F-37)

- Processing Enrollment Agreements
- Billing for Tuition
- Communicating Price Increases
- Forms of Accepted Payment
- Collection Procedures

Payroll Procedures (F-40)

Student Transitions (F-41)

- Communicating with Parents
- Change of Schedule

Handling Student Withdrawals (F-43)

Health and Safety Procedures (F-44)

- First Aid
- Accident/Incident Reports
- Diapering and Toileting
- Reporting Suspicious Persons
- Emergency Procedures – Fire Drills, Tornado Drills, etc.
- Using the Playground Safely
- Medication and Wellness Policies
- Infectious and Contagious Disease Control
- Medical Records
- Food Service Safety and Preparation

F. CLASSROOM MANAGEMENT (60 pages)

Introduction (G-1)

The Rock and Roll Daycare Learning System (G-2)

- Curricula
- Submission of Curricula
- Teaching Philosophy
- Schedule of Events

Classroom Audio Recordings (G-8)

Pre-Class Routines (G-9)

- Pre-Class Teacher Meetings
- Determining Student Needs

Classroom Management (G-13)

- Infant Room Procedures
- Using the Rock and Roll Daycare Lesson Plans
- Use of Classroom Materials
- Guidelines for Teaching
- Importance of Enrichment
- Expected Supervision of Students
- Expected Supervision of Classes
- Monitoring Attendance/Use of Tadpole System
- Inspiring and Motivating Students
- Disciplining Students

Post-Class Routines (G-28)

- Tracking Student Progress

Running Music Classes (G-30)

- Use of Music Specialists
- Group Music Classes
- Extended Music Classes
- Orchestra
- Afternoon Music/Fiddlefox Music Curriculum

G. Classroom Management (continued)

Planning and Hosting Performances (G-45)

- Ambassador
- Midway Event
- International Night
- Holiday Concert
- Carenycue
- Spring Tea

Graduation (G-52)

- Planning
- Conducting

Classroom Safety Procedures (G-56)

H. MARKETING AND PROMOTION (25 pages)

Introduction (H-1)

Developing Your Marketing Plan (H-2)

Required Advertising Expenditures (H-6)

- Systemwide Advertising Requirement
- Local Advertising Requirement

Promoting Rock and Roll Daycare in Your Area (H-7)

- Use of Traditional Media
- Use of Electronic Media
- Use of Social Media

Working with Local Schools (H-16)

Guidelines for Using Rock and Roll Daycare's Marks (H-19)

Community Engagement (H-20)

- Participating in Community Events
- Local Business Association
- Role of Community Director

Public Relations (H-23)

Obtaining Advertising Approval for Original Ad Copy and Placement (H-25)

APPENDICES:

Forms

Software Manuals

Curricula for Each Age and Stage

EXHIBIT I RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Rock and Roll Daycare Franchising, LLC offers you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit B.

The franchisor is Rock and Roll Daycare Franchising, LLC located at 580 Cambridge Street, Cambridge, MA 02141. Its telephone number is (857) 312-3701.

Issuance Date: August 29, 2019 as amended October 31, 2019

The franchise seller for this offering is:

- ☒ Chris Vuk, 580 Cambridge Street, Cambridge, MA 02141; (617) 575-9519.
- ☒ Zaire Vuk, 580 Cambridge Street, Cambridge, MA 02141; (617) 575-9519.
- ☒ Bobby DelVecchio, 580 Cambridge Street, Cambridge, MA 02141; (407) 340-3663.

We authorize the respective state agencies identified in Exhibit B to receive service of process for us in the particular state.

I have received a disclosure document dated August 29, 2019 as amended October 31, 2019 that included the following Exhibits:

- A. State Addenda to the Disclosure Document
- B. List of State Administrators and Registered Agents
- C. Franchise Agreement
Schedule 1-Territory

Schedule 2-Automatic Bank Draft Authorization
Schedule 3-Lease Rider
Schedule 4-Option Agreement
Schedule 5-SBA Addendum
Schedule 6-State Addenda to the Franchise Agreement

- D. Release
- E. List of Current Franchisees
- F. List of Former Franchisees
- G. Financial Statements
- H. Table of Contents of Operations Manual
- I. Receipts

PROSPECTIVE FRANCHISEE:

Date you received this Disclosure Document

If an individual:

If a business entity:

Name of Business Entity

Signature

By:

Signature

Printed Name

Printed Name/Title

Address

Address

(Telephone number)

(Telephone number)

Please sign, date, and return this copy to us

Schedule 2-Automatic Bank Draft Authorization
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Address

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(Telephone number)

Please sign, date, and return this copy to us